

**FBIS**

# DAILY REPORT

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*China*

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FURTHER ON U.S.-USSR ARMS TALKS IN GENEVA

Arms Talks Begin

OW121442 Beijing XINHUA in English 1431 GMT 12 Mar 85

["U.S.-Soviet Arms Talks Start" -- XINHUA headline]

[Text] Geneva, March 12 (XINHUA) -- The U.S.-Soviet arms control talks opened here today, despite the death Sunday of Soviet leader Konstantin Chernenko. The talks, which come after a 15-month break in arms control dialogue between the two superpowers, started at 10:10 GMT in the Soviet mission here.

The U.S. and Soviet delegation chiefs, Max Kampelman and Viktor Karpov, opened the first round of the talks, which will focus on a calendar for negotiations and other procedural issues. The talks will proceed simultaneously in three areas -- intercontinental nuclear weapons, intermediate-range nuclear missiles and space-based weapons.

The U.S. position on the talks is to negotiate sharp reductions in offensive weapons, but only to discuss research into possible future defensive arms in space. The Soviet Union, however, has insisted that U.S. research into the "star wars" system be stopped before any progress can be made on existing nuclear weapons.

First Round Ends

OW130231 Beijing XINHUA in English 0222 GMT 13 Mar 85

[Text] Geneva, March 12 (XINHUA) -- The first session of the U.S.-Soviet arms control talks ended here this afternoon after two hours and 45 minutes of "serious and concrete" discussions, U.S. chief negotiator Max Kampelman told reporters today. The Soviet-U.S. negotiations began here at noon today.

As the two delegations had agreed to keep the talks secret, Mr. Kampelman said, he could not answer any question from the reporters. The next session will take place in an annex of the U.S. mission here Thursday.

FRG's Kohl 'Optimistic'

OW130243 Beijing XINHUA in English 0216 GMT 13 Mar 85

[Text] Bonn, March 12 (XINHUA) -- Chancellor Helmut Kohl, in an interview with the West German pictorial QUICK, today said he was "cautiously optimistic" about the U.S.-U.S.S.R. arms control talks opening today in Geneva. In the interview, published in advance by the Federal Press and Information Office, the chancellor said it was possible that the talks would produce fruitful results given the intent on both sides to talk. But he called for patience in view of the deep differences between the two countries. Kohl said the two Germanys, in spite of their differences, are able to contribute to the success of the negotiations. He said he hoped Democratic Germany would exercise its influence within the Warsaw Pact.

Sweden Calls Talks 'Inspiring'

OW230321 Beijing XINHUA in English 0244 GMT 13 Mar 85

[Text] Stockholm, March 12 (XINHUA) -- Sweden hopes the ongoing Geneva talks between the U.S. and the Soviet Union will lead to a breakthrough in the control of nuclear arms on earth and in space. In a declaration, Swedish Foreign Minister Lennart Bodstrom today said that the Geneva talks, which aim to improve relations between two nuclear superpowers, are inspiring. He said it is in accordance with Swedish policy to strengthen strategic stability. He expressed hope that the talks would lead to better international cooperation and make the world a safer place.



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UNITED STATES

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REAGAN SAID READY TO MEET WITH GORBACHEV

OW130850 Beijing XINHUA in English 0744 GMT 13 Mar 85

[Text] Washington, March 12 (XINHUA) -- U.S. President Ronald Reagan would meet with new Soviet leader Mikhail Gorbachev if "it would be beneficial to the cause of world peace," White House spokesman Larry Speakes said here today.

Speakes told reporters that the Reagan administration was no longer insisting that such a summit hold the prospect of tangible results before the United States would agree to participate.

This is the first time that the Reagan administration has said pointedly that the conditions for a U.S.-Soviet summit have changed.

Explaining the new policy, Speakes said: "If the opportunity presents itself, we would weigh all factors pro and con and then the President would make a decision of whether it would be beneficial to the cause of world peace to participate in a meeting with the Soviet leader."

Deputy spokesman Robert Sims said a meeting with Gorbachev was being considered in a different light than the three other Soviet leaders who have been in power during Reagan's presidency. "It's not that our position has changed. It's that the nature of their leadership has changed," Sims said.

Larry Speakes added, U.S.-Soviet relations had improved in recent months. "Certainly it does change -- as our foreign policy friends are willing to say -- the atmospherics."

This is the second time in two days that the administration talked about a U.S.-Soviet summit meeting after Gorbachev was elected new leader of the Soviet Union.

Yesterday, President Reagan said he would be "more than ready" to meet with the new leader of the Soviet Communist Party, Mikhail Gorbachev, once he settles into office.

Speaking at the White House to U.S. regional editors and broadcasters, Reagan said: "You have to wait for a new man now to get in place and establish his regime, and then I'll be more than ready (to meet), because I think there's a great mutual suspicion between the two countries."

Reagan stressed: "We will deal with Chairman Chernenko's successor with an open mind and will continue our efforts to improve relations between our two nations, to settle our differences fairly and particularly to lower the levels of nuclear arms."

PUBLIC FIGURES COMMENT ON DEATH OF CHERNENKO

HK121500 Beijing RENMIN RIBAO in Chinese 12 Mar 85 p 7

[Special dispatch from Washington by reporters Zhang Liang and Jing Xianfa: "Some U.S. Public Figures on the Death of Chernenko, Soviet Policy"]

[Text] In today's morning news programs, the three big American television networks reported the death of Soviet leader Konstantin Chernenko.

Some former senior administration officials and experts on Soviet affairs promptly responded to the news. They unanimously agreed: There will be no substantial change in the future Soviet foreign policy following the death of Chernenko and the U.S.-Soviet arms reduction talks in Geneva will be held as scheduled. At 6:00, National Security Adviser Robert McFarlane reported the death of Chernenko to President Ronald Reagan. However, the White House did not make any formal response.

In a television interview, former National Security Adviser Zbigniew Brzezinski said that the replacement of Soviet leaders will "progress smoothly" and "has already long been arranged." He held that Soviet foreign policy in the coming period will be the continuity of present policy. He went on to say that the Soviet Union will launch a "peace offensive" in the international arena and make a series of arms reduction proposals in an attempt to split the relationship between the United States and its allies and to reduce the United States to a defensive status on the question of a "strategic defense initiative."

Former Secretary of State Henry Kissinger held that the Geneva arms reduction talks will not be affected. By his estimate, in the coming 1 or 2 years the Soviet Union will concentrate on domestic policy rather than foreign policy.

While speaking of the Soviet relations with other countries in the coming period, Toon former U.S. ambassador to the Soviet Union, said that there will be no basic change in Soviet relations with other countries. For instance, its policies on the participation of the Geneva talks and the stationing of troops in Afghanistan, and even its Middle East policy, will remain as they are at present. In the European arena, it is estimated that they will launch a "peace offensive" in an apparent attempt to go along with prevailing public opinion in Europe and to drive a wedge into the relationship between the United States and its allies.

#### SRV CONDEMNED FOR 'BRUTAL ATTACKS' IN CAMBODIA

OWL20432 Beijing XINHUA in English 0329 GMT 12 Mar 85

["U.S. Denounces Vietnam" -- XINHUA headline]

[Text] Washington, March 11 (XINHUA) -- The United States today again condemned Vietnam for its brutal attacks against the Khmer resistance and repeated armed incursions into Thai territory. State Department spokesman Edward Djerejian told reporters these attacks "again demonstrate Vietnam's insensitivity to international opinion and its disregard for international law and human rights as it attempts to impose its will on its smaller neighbor." He said the U.S. calls on Hanoi to give up its pursuit of a military solution that can only leave the Southeast Asian region subject to persistent instability and violence, and to begin to work with the ASEAN countries in the search for a negotiated, political solution to the continuing agony of the Khmer people."

#### REAGAN, O'NEILL DIFFER ON NICARAGUAN ISSUE

OW091147 Beijing XINHUA Domestic Service in Chinese 1255 GMT 7 Mar 85

["Commentary" by XINHUA reporter Tang Tianri: "A Talk Starting From the Difference Between the U.S. President and House Speaker" -- XINHUA headline]

[Text] Beijing, 7 Mar (XINHUA) -- What attitude should be adopted toward Nicaragua, a small Central American country? On this question, a marked difference of opinion has arisen recently between President Reagan and House Speaker O'Neill.

In a 21 February statement, Reagan said openly that he would "get rid of" the "present structure" of the Nicaraguan Government. He said: "If the present government (of Nicaragua) comes round and says 'uncle', we shall not get rid of it." Around that time, the Reagan administration repeatedly requested congressional approval for \$14 million in aid for the Nicaraguan antigovernment armed forces.

On February, O'Neill criticized Reagan's above quoted remarks and asked him to return to the path of peaceful negotiation. He said: "The United States has acted as an uncle for too long in Latin America. Now is the time to play the role of brother." He added that Congress would reject the resumption of funds to the Nicaraguan antigovernment guerrillas.

We are not going to discuss here the nature and background of the Reagan-O'Neill dispute over whether the United States should act as an "uncle," or play the role of "brother." From their differences, however, we can see that the Reagan administration, by relying on the U.S. position of strength, where the big, strong power requires the small, weak nations in Latin America to be manipulated by the United States, and is taking the view that "those who submit to me will prosper, and those who resist me shall perish," and that this naked, hegemonic act is criticized and opposed even by someone within the U.S. ruling group.

Nicaragua is a UN member, and an independent sovereign state. Its present government is a legitimate one, founded in 1979 following the overthrow of Somoza's autocratic rule. Since then, serious differences and conflicts have existed between the current government and antigovernment forces. The solution to this question is purely an internal affair for Nicaragua, and no other country, including the United States, should lord it over this sovereign state, styling itself an "uncle" to flagrantly intervene.

However, the Reagan administration has, all along, viewed Nicaragua as a thorn in its side. In its opinion, the "focus" of the Central American turbulence is in El Salvador, while Nicaragua is the "root of trouble," which must be eliminated, or it will not be satisfied. Guided by this idea, the Reagan administration has, in recent years, isolated and contained Nicaragua diplomatically, imposed an embargo and blockade economically, and repeatedly exerted pressure militarily. As early as 3 years ago, the U.S. Central Intelligence Agency devised a plan to overthrow Nicaragua's legitimate government, and brazenly carried out subversive activities in that country. To threaten and blackmail this small Central American country, last year the United States even laid mines in Nicaragua's ports, following the dispatch of troops to Grenada in 1983. In addition, Washington has stirred up a campaign to restore the Central American Defense Committee, in preparation for a joint attack on Nicaragua, by gathering together other Central American countries. The President's 21 February statement, without the slightest concealment, underlined the intentions of the superpower on the other side of the great ocean.

American leaders have consistently advertised that the United States is the most earnest in paying attention to "democracy" and "freedom." Nonetheless, what the U.S. Government has done in the Nicaraguan issue indicates that, in dealing with this small country, the United States does not follow the most rudimentary principle for international relations, or respect in the least the freedom and democratic rights of the other country to choose its own government and social system. Such behavior of acting as another country's "uncle," arrogantly issuing orders, and even threatening to overthrow the government of another country, runs against the tide of the times, and is indeed unpopular.



LI PENG LEADS DELEGATION TO CHERNENKO RITES

## Departs Beijing

OW121331 Beijing XINHUA in English 1325 GMT 12 Mar 85

["Li Peng Leaves for Moscow To Attend Chernenko's Funeral" -- XINHUA headline]

[Text] Beijing, March 12 (XINHUA) -- Chinese Vice-Premier Li Peng and a Chinese Government delegation he is leading left here for Moscow by special plane tonight to attend the funeral of the late President Konstantin U. Chernenko scheduled for Wednesday. Members of the delegation are Vice-Foreign Minister Qian Qichen, Chinese Ambassador to the Soviet Union Li Zewang (already in Moscow) and Deputy Departmental Director Dai Bingguo of the Foreign Ministry.

Among those present at the airport to see the delegation off were Foreign Minister Wu Xueqian, Assistant Foreign Minister Qi Huaiyuan and Vice-President of the Sino-Soviet Friendship Association Shi Ziming. Soviet Ambassador to China I.S. Shcherbakov was also present.

## Arrives in Moscow

OW130208 Beijing XINHUA in English 0201 GMT 13 Mar 85

[Text] Moscow, March 12 (XINHUA) -- The Chinese Government delegation headed by Vice-Premier Li Peng arrived here tonight to attend the late Soviet leader Konstantin Chernenko's funeral. Members of the delegation Qian Qichen, vice-minister of foreign affairs, and Dai Bingguo, head of the Soviet Union and East European Affairs Department of the Foreign Ministry, also arrived.

The delegation was met at the airport by Yakov Ryabov, vice-chairman of the Council of Ministers of the USSR, and Igor Rogachov, director of the First Far East Department of the Soviet Foreign Ministry. Li Zewang, Chinese ambassador in Moscow and member of the delegation, was also present at the airport. The funeral is set for March 13 at 13:00 hours local time at the Red Square.

## Pays Last Respects

OW131102 Beijing XINHUA in English 1056 GMT 13 Mar 85

["Chinese Government Delegation Pays Last Respect to Chernenko" -- XINHUA headline]

[Text] Moscow, March 13 (XINHUA) -- Chinese Vice Premier Li Peng and the Chinese Government delegation led by him to attend Konstantin Chernenko's funeral, this morning went to pay last respects to the remains of the late Soviet president lying in state in the Hall of Trade Unions. The delegation laid a wreath there. The Chinese delegation also extended deep condolences over Chernenko's death and expressed sincere sympathy with his family.

WORLD LEADERS OFFER CONDOLENCES, ATTEND FUNERAL

## FRG Leader Condoles

OW120931 Beijing XINHUA in English 0637 GMT 12 Mar 85

[Text] Bonn, March 11 (XINHUA) -- Federal German President Richard von Weizsacker sent a message of condolence to Soviet leaders today on the death of Konstantin Chernenko, general secretary of the Soviet Communist Party.

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Weizsacker said in his message that Chernenko had made important contributions to the creation of good conditions for upcoming big power dialogue and to the development of East-West relations.

Federal government spokesman Peter Boenisch announced that Chancellor Helmut Kohl will attend the Soviet leader's funeral on Wednesday.

The spokesman also stressed the importance his government attaches to its relations with the Soviet Union. The recent talks held between the foreign ministers of the two countries showed that viable possibilities existed in developing their relations.

He made clear that the Federal German Government will continue its good-neighbor policy towards the Soviet Union as a contribution to the strengthening of East-West relations.

#### Sweden, Italy, Greece Mourn

OW120829 Beijing XINHUA in English 0643 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Leaders of Sweden, Italy and Greece have expressed their condolences over the death of Soviet leader Konstantin Chernenko on March 10.

In a statement issued yesterday, Swedish Prime Minister Olof Palme expressed profound grief over Chernenko's death. He pointed out that during Chernenko's short tenure of office, the Soviet Union and the United States decided to resume their nuclear arms reduction talks in Geneva. He hoped that the already started process would lead to an improved international atmosphere.

Italian President Sandro Pertini cut short his visit to Argentina and returned to Rome today. He will fly to Moscow to attend Chernenko's funeral scheduled for tomorrow.

Also sending messages of condolences to Soviet leaders were Italian Senate President Francesco Cossiga, Speaker of the Chamber of Deputies Nilde Iotti and Foreign Minister Giulio Andreotti.

A condolence message sent by the Central Committee of the Italian Communist Party said the death of Chernenko has deprived the Soviet Communists of a "long-tested leader."

Greek Prime Minister Andreas Papandreu sent a message to his Soviet counterpart Nikolay Tikhonov, expressing the Greek Government's and his personal condolences and deep sorrowful emotion over the death of Chernenko.

#### East European Leaders React

OW120837 Beijing XINHUA in English 0800 GMT 12 Mar 85

[Text] Beijing, March 11 (XINHUA) -- Party and government leaders of East European countries today sent messages to the Soviet Union to extend their condolences over Konstantin Chernenko's death.

A message jointly issued by the Czechoslovak Communist Party Central Committee, President Gustav Husak and the federal government, made a brief review of Chernenko's contributions to the Soviet socialist construction and the world politics and described him as an outstanding party and state leader and a true friend of the Czechoslovak people.

Czechoslovakia decided to fly the national flag at half mast starting from today until March 14, and national mourning will be observed on March 13, the day when Chernenko is to be buried.



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PAP, the Polish news agency, reported today that the Polish party and government had sent a joint message of condolences to the Soviet Union.

The message signed by Wojciech Jaruzelski, first secretary of the Polish United Workers' Party, and Henryk Jablonski, chairman of the Council of State, expressed "deep sorrow and condolence" over Chernenko's death.

The Polish Council of State announced a three-day national mourning starting from today with the national flag flying at half mast.

The German Socialist Unity Party Central Committee, the Council of State and the Council of Ministers in a message to the Soviet Union dispatched by the German news agency, ADN, praised Chernenko as a "true friend who has greatly contributed to the fraternal relations between the two parties, two countries and two peoples."

According to ADN, the Political Bureau of the Central Committee of the German Socialist Unity Party held a special meeting today to mourn the death of Chernenko.

In Budapest, the Hungarian national news agency HTA [as received] reported a condolence message to the Soviet Union signed by President Pal Losonczi, Premier Gyorgy Lazar and First Secretary Janos Kadar of the Central Committee of the Hungarian Socialist Workers Party.

The message said Chernenko has made effective contributions throughout his life to the realization of Lenin's policy and to the making and implementation of the policies for building the Soviet Union into a developed socialist country.

Soon after learning of the death of Chernenko, the Political Bureau of the Central Committee of the Bulgarian Communist Party met in an extraordinary session, which decided to observe a two-day national mourning starting tomorrow.

The Bulgarian Communist Party Central Committee, the Council of State and the Council of Ministers jointly signed a condolence message today to the Soviet Union.

#### Ceausescu Extends Condolences

OW121011 Beijing XINHUA in English 0640 GMT 12 Mar 85

[Text] Bucharest, March 11 (XINHUA) -- Romanian Communist Party General Secretary and President Nicolae Ceausescu today extended profound condolences on the death of Soviet leader Konstantin Chernenko.

In a telegram to the Central Committee of the Communist Party of the Soviet Union and the Presidium of the USSR Supreme Soviet, Ceausescu noted that the Romanian-Soviet relations had advanced during Chernenko's tenure of office.

Ceausescu expressed the belief that the relations between the two parties and two countries will further develop for the benefit of the two nations, of the socialist cause and of the world peace.

#### DPRK, MPR Mourn Death

OW121111 Beijing XINHUA in English 1036 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Korean leader Kim Il-song sent a message of condolence to the Soviet leadership on the death of Konstantin Chernenko, Korean NODONG SINMUN reported today.

In the message addressed to the Central Committee of the CPSU and the Presidium of the Supreme Soviet of the USSR, Kim Il-song said he was saddened to learn of the death of K. U. Chernenko, general secretary of the Central Committee of the Communist Party of the Soviet Union and president of the Presidium of the Supreme Soviet of the USSR, and expressed his deep grievances to the party, government and people of the Soviet Union as well as the bereaved family, in the name of Korean party, government, people and himself.

His message praised Chernenko as an outstanding activist of the Communist Party and state of the Soviet Union and a staunch fighter for socialism and peace.

The Central Committee of the Mongolian People's Revolutionary Party, Presidium of the Great People's Hural and the Council of Ministers jointly announced that March 12 and 13 will be national mourning days over the death of Soviet leader K. U. Chernenko.

**DPRK's Kang Song-san To Attend**

OW121007 Beijing XINHUA in English 0741 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- A party and government delegation headed by Kang Song-san, member of the Political Bureau of the Central Committee of the Korean Workers' Party and premier of the Administration Council, will go to the Soviet Union to attend the funeral of Konstantin U. Chernenko.

Korean NODONG SINMUN reported today that the decision to send the delegation was made jointly by the Central Committee of the Workers' Party of Korea, the Central People's Committee and the Administration Council. The decision made Chernenko's funeral day and the previous day the national mourning days in this country to show deep condolences over the death of Chernenko.

The decision also decreed that on the mourning days all government departments, factories, enterprises, schools and streets will hang flags at half mast, halt recreational activities and broadcast mourning programs.

**RENMIN RIBAO CARRIES BIOGRAPHY OF GORBACHEV**

HK130332 Beijing RENMIN RIBAO in Chinese 12 Mar 85 p 7

[XINHUA report: "New CPSU Central Committee General Secretary Gorbachev"]

[Text] Mikhail Sergeyevich Gorbachev has replaced the late Chernenko as general secretary of the CPSU Central Committee. Gorbachev was born into a peasant family on 2 March 1931 in the village of Privolnoye, Stavropol Territory, southern Russia. He worked as a combine harvester driver for 5 years at a farm machinery station in his home village after he turned 15. He joined the CPSU in 1952.

In 1955 he graduated from the Law Department of Moscow State University. After graduation he returned to Stavropol City where he began to engage in Komsomol and party work. At 24 he was a deputy department head and 1 year later was first secretary of the Stavropol City Komsomol Committee. From 1958 to 1962 he worked first as second and then as first secretary of the Stavropol Territorial Komsomol Committee.

Beginning in 1962 he served as party organizer at the Stavropol Territorial-Production Board of Collectives and State Farms and head of the department of party bodies of the Territorial CPSU Committee. From 1966 to 1968 he was first secretary of the Stavropol City Party Committee. In 1967, he completed his courses at the Stavropol Agricultural Institute, where he received his degree. In the decade between 1968 and 1978 he was second and then first secretary of the Stavropol Territorial CPSU Committee. Beginning in June 1970, he was elected a deputy of the Supreme Soviet of the USSR in the 8th-11th convocations. In April 1971, he was elected a member of the CPSU Central Committee at the 24th party congress. In November 1978 he replaced Kulakov, who had died suddenly, and entered the Secretariat of the CPSU Central Committee as a member in charge of agriculture. In November 1979, he was elected an alternate member and was promoted the following year to member of the Politburo of the CPSU Central Committee, the youngest member in it. After Chernenko died of illness on 10 March, Gorbachev was elected general secretary of the CPSU Central Committee at the Central Committee plenum the next day.

BEIJING REVIEW QUESTIONS TASS 'SLANDER' OF PRC

HK130958 Beijing BEIJING REVIEW in English No 9, 4 Mar 85 p 16

[By Yang Xuechun: "Why Is TASS Attacking Beijing"]

[Text] The Soviet news agency TASS on January 24 released an article entitled "From a Hostile Stand," which attacked BEIJING REVIEW and slandered China. TASS took the move because BEIJING REVIEW has been telling the world the truth about the Afghanistan question, particularly in an article entitled "Afghanistan: Soviets Trudging in Mire" in the January 21, 1985, issue.

The TASS article asserted that "Beijing is actually the second centre, next to the United States, which is engaged in an undeclared war against the Democratic Republic of Afghanistan" and that "the counter-revolutionary crime supported by Washington, Islamabad and Beijing has caused damage amounting to well over 35 billion afghanis."

TASS also tried to justify the Soviet military presence in Afghanistan, saying "It is at the legitimate request of the Democratic Republic of Afghanistan that a limited number of Soviet military personnel entered the country to repel foreign aggression and armed intervention."

But just how "limited" is the Soviet force in Afghanistan? The Soviets never say, and they guard the information as top secret. Foreign press reports estimated Soviet troop strength at about 100,000 when the invasion started and 200,000 at present. The French news agency AFP reported last December 20 that "most military experts believe the Soviet troop force in Afghanistan has increased 25 percent since Konstantin Chernenko took office." So, what TASS calls "a limited number" has great elasticity, and it is a safe bet that as the war continues there will be even more Soviet troops sent to Afghanistan and TASS will still say there are a "limited" number of troops.

As to the "legitimate request" made by the Democratic Republic of Afghanistan, the Kremlin knows the truth of the matter. Despite the Soviet statement, people are entitled to skepticism. The fact is that former Afghan Prime Minister Hafizullah Amin was assassinated soon after the Soviet Army invaded the country in December 1979, so many doubt that Amin would have been so stupid as to invite Soviet troops to enter his country to kill him. Furthermore, Babrak Karmal was installed in Amin's place in January 1980 after the Soviets entered the country. Since he had not even formed a government prior to the arrival of the Soviets, how could he have made a "legitimate request"?

When TASS alleged that in Afghanistan there is "foreign aggression and armed intervention," it was playing the trick of a thief crying "stop thief!" Contemporary world history shows that in the 40 years since World War II, only one country, the Soviet Union, has sent troops to invade Afghanistan and has caused tremendous damage there. According to a spokesman for the Afghanistan National United Front, over the past five years the Soviet occupation forces have killed 1 million innocent Afghans, have left 100,000 missing and have caused 4 million to flee to neighbouring countries. The Soviet invasion has destroyed the Afghanistan economy and culture.

Assuming the airs of a modern history lecturer, the Soviet news agency said, "It should be noted that China itself had relied on Soviet assistance to fight Japanese militarism." Well said. It is true that during those hard years when the Chinese people battled Japan during World War II, the Soviet Government and people sided with China. But it doesn't make any sense to compare the case with the present situation in Afghanistan. May we ask TASS this question: Which "aggressor" nation are Soviet soldiers fighting in Afghanistan today?

The TASS assertion that Beijing is a "second centre" engaged in "an undeclared war" against Afghanistan is even more absurd. Everyone knows that China has not sent a single soldier to Afghanistan and has caused no damage whatsoever to the country.

Preposterously, TASS has tried to build a connection between Washington and Beijing on the Afghanistan issue, thinking this could make the Soviet invasion of the country defensible. But TASS should know that Soviet aggression cannot be justified by just the fact that China and the United States share some views on the question of Afghanistan. The TASS tactic is to wash its dirty hands by smearing others. But the TASS smear does no harm to China, which has consistently followed an independent foreign policy, nor can it alter the fact that Moscow has invaded a sovereign country.

What is more surprising is the TASS attempt to point to the United Nations Charter in defence of the Soviet case. "It is completely in conformity with the UN Charter for the Soviet Union to assist the Afghan people," the TASS article said.

The fact, however, is that Moscow has been denounced at the United Nations every year since it intruded into Afghanistan. The UN record provides only one conclusion: TASS is lashing out at BEIJING REVIEW, calling it "hostile," because the Soviet press agency started from a stand that is hostile to the great majority of countries in the world.



HU CALLS FOR VIETNAMESE WITHDRAWAL FROM CAMBODIA

OW121654 Beijing XINHUA in English 1639 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Hu Yaobang said here today that China hoped Vietnam would immediately withdraw all its troops from Kampuchea, but Vietnamese authorities did not have the slightest intention to do so.

The Communist Party general secretary was speaking at a meeting with a visiting delegation from the National League of the Protection of the Japanese Constitution, led by its chairman Ichio Asukada, former chairman of the Japanese Socialist Party. Answering questions from the visitors, he said China had stated many times that as long as the Vietnamese authorities committed itself publicly to pulling its troops out of Kampuchea and put it into action, the traditional friendship between the two countries could be restored.

Hu repeated the Chinese stand in support of world peace and opposition to hegemonism. [XINHUA Domestic Service in Chinese on 12 March at 1559 GMT in a similar item, renders the preceding sentence: "He reaffirmed that our policy is to safeguard world peace, and that in order to safeguard world peace, we will make unremitting efforts to oppose hegemonism."] China was willing to establish and develop friendly relations and cooperation with all countries on the basis of the Five Principles of Peaceful Coexistence.

Regarding arms control, Hu hoped that the talks between the United States and the Soviet Union would make substantial progress.

Asukada has visited China many times and made contributions to the development of relations and contacts between the Japanese Socialist Party and the Chinese Communist Party. Hu expressed his gratitude to him for his efforts to promote the strengthening of the Sino-Japanese relations. Asukada thanked China for inviting 3,000 Japanese young people here last year. He said the visit had been appreciated by Japan.

DPRK COMMITTEE CONDEMNS 'TEAM SPIRIT' EXERCISES

OW110943 Beijing XINHUA in English 0854 GMT 11 Mar 85

[Text] Pyongyang, March 11 (XINHUA) -- The Committee for the Peaceful Reunification of the Fatherland of Korea published a white paper yesterday, condemning the U.S.-South Korean "Team Spirit 85" joint military exercises which began February 1.

The United States and South Korean authorities have escalated the "Team Spirit" exercises since 1976, each year systematically increasing the strength of the armed forces taking part in them and mobilizing more sophisticated weapons and equipment, the white paper says. Washington and Seoul have also lengthened the period of the exercises, turned the military rehearsal into "a more offensive one" and are bringing it "closer to a real war," the white paper says. The United States is trying to "knock into shape a triangular military alliance through the 'Team Spirit' military rehearsal."

The "Team Spirit" is an outcome of Washington's Asian strategy and its main purpose is to "use the whole of the Korean peninsula as a bridgehead for dominating Asia," the white paper says. The white paper urges the United States and South Korean authorities immediately to stop the "Team Spirit" joint exercises. The United States and South Korea should accept the proposal for early tripartite talks with the Democratic People's Republic of Korea, thereby creating the preconditions for the peaceful reunification of Korea.



TIAN JIYUN MEETS DPRK COMMERCE MINISTER

OW111449 Beijing XINHUA in English 1354 GMT 11 Mar 85

[Text] Beijing, March 11 (XINHUA) -- Chinese Vice-Premier Tian Jiyun conferred here this evening with a delegation from the Democratic People's Republic of Korea led by Minister of Commerce Han Chang-kun on the further development of cooperation in this field between the two countries. Chinese Minister of Commerce Liu Yi and D.P.R.K. Ambassador to China Sin In-ha were present at the meeting.

WANG, BO YIBO AT JAPANESE TECHNOLOGY EXHIBIT

OW120222 Beijing XINHUA in English 1642 GMT 11 Mar 85

[Text] Beijing, March 11 (XINHUA) -- An exhibition featuring electronic technology of Japan's Sharp Corporation opened here today. The corporation deals chiefly in household electrical equipment such as color television sets, refrigerators and washing machines which are in great demand in China.

Wang Zhen, honorary president of the China-Japan Friendship Association, and Japanese Ambassador to China Yosuke Nakae attended today's opening ceremony. [Beijing XINHUA Domestic Service in Chinese at 1439 GMT on 11 March carries a report on the Japanese electronic exhibition in Beijing and notes that "State Councillor" Bo Yibo "visited" the exhibition.]

WANG ZHEN MEETS JAPANESE BUSINESS LEADERS

OW121746 Beijing XINHUA in English 1452 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, today met with President Hideto Eguchi of Yamaha Motor Co., Ltd. of Japan and President Zhou Yu-cheng of Great-North Technical Corporation and their party. A contract on importing production technology of 125 c.c. motors from the Yamaha Company was signed after the meeting. The contract stipulates that an annual production capacity of 150,000 motors should be reached within three years.

CHEN MUHUA, WANG MEET JAPANESE BUSINESSMEN

OW122106 Beijing XINHUA in English 1632 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Honorary President of the China-Japan Friendship Association Wang Zhen and State Councillor Chen Muhua today had separate meetings with a delegation from Matsushita Electric Industrial Company, Ltd. led by its president Toshihiko Yamashita.

During the meetings Wang Zhen and Chen Muhua who is also minister of foreign economic relations and trade highly appreciated the efforts made by Yamashita and others to promote Sino-Japanese economic and technological cooperation.

The Japanese visitors have come here as guests of Chen Xitong, mayor of Beijing, to discuss matters related to export to China of equipment for producing kinescopes for color T.V. sets and as well as promoting relations with Beijing Municipality.

LI XIANNIAN'S SPEECH AT 12 MAR THAI RECEPTION

HK131100 Beijing RENMIN RIBAO in Chinese 13 Mar 85 p 4

[XINHUA report: "President Li Xiannian's Speech at the 12 March Grand Reception Hosted by Thai Prime Minister Prem Tinsulanon"]

[Text] The respected, Your Excellency Prime Minister Prem Tinsulanon, ladies and gentlemen: I am paying an official visit to your country at the invitation of His Majesty King Phumiphon Adunyadet. I feel quite honored for having been accorded a grand and warm welcome from his majesty the king, the Thai Government, and Thai people. Today, Prime minister Prem Tinsulanon, a respected friend of the Chinese people, is hosting a grand reception to honor us. This indicates that the Thai people have preserved a profound hospitality and friendship for the Chinese people. On behalf of my delegation and myself, please allow me to express our sincere gratitude to Your Excellency the Prime Minister, and the Thai Government and people. I would like to take this opportunity convey the best wishes of the Chinese people to the Thai people.

The hard-working and clever Thai people have created a Siamese culture with distinctive features, which has added splendor to the oriental civilization. In recent years, the people of your country have exerted their efforts to exploit and use the natural and human resources of the country, learn from the good points of other countries, give play to their superiority in agriculture, promote industrial production, and attain a rapid development of the national economy. At a time when the West is suffering from an economic crisis, the economy of Thailand has maintained its growth. This has enhanced the national power of Thailand and provided developing countries with valuable experiences from which they can learn.

Your Excellency the Prime Minister, ladies and gentlemen, at present the world faces confusion and unrest. Southeast Asia is an important hot spot. The Vietnamese military aggression and occupation of Democratic Kampuchea has not only encroached upon and undermined the independence and sovereignty of this sovereign state, but also greatly jeopardized peace and stability in this region. The Vietnamese act of aggression has met with heroic resistance from the Cambodian patriotic people and forces, and has been sternly condemned by the international community.

The United Nations has adopted resolutions for many consecutive years demanding that Vietnam pull out all of its troops from Cambodia. However, the Vietnamese Government continues to act stubbornly and creates all sorts of excuses to keep its forces in that country. The Vietnamese aggressors have recently intensified their military operations against Cambodia, launching attacks on peaceful villages and innocent villagers. They have even intruded into Thai territory time after time. The Chinese Government and people, with their stance of maintaining peace and cherishing justice, fully support the Cambodian people's just struggle. China is not acting in its own interests, but sincerely wants Cambodia to be an independent, peaceful, neutral, and nonaligned country.

At present we support Prince Norodom Sihanouk in leading the Coalition Government of Democratic Kampuchea to carry out a struggle of resistance against Vietnam. In the future we will continue to support Prince Norodom Sihanouk in leading the Cambodian people to carry out peaceful construction. We do not oppose a political settlement of the Cambodian problem. However, the key lies in the complete withdrawal of the Vietnamese troops from the country. The first step Vietnam should take is that it should first make an explicit promise to withdraw all its troops from Cambodia, and then translate this into action. Otherwise, a political settlement is out of the question.

The development of the situation on the Cambodian battlefield has clearly shown that no matter how the Vietnamese authorities strengthen their troops and what political and diplomatic tricks they play, they cannot stamp out the just struggle of the Cambodian people who unite as one and are fighting for the independence of their country, and the survival of their nation. To stop armed aggression, withdraw all its troops, and seek a political settlement of the Cambodian problem is the only way out for the Vietnamese authorities.

Although Thailand, which borders Vietnam, has suffered a lot from the Vietnamese aggression and expansion effort, she has been adhering to principles, upholding justice, bravely resisting the provocation and aggression of the Vietnamese Army, and fulfilling humanitarian obligations to thousands and thousands of Indochinese refugees. Thailand and other ASEAN countries have been supporting the Coalition Government of Democratic Kampuchea headed by Prince Norodom Sihanouk and the Cambodian people's just struggle against the Vietnamese aggressors and to save their own country under the leadership of the Coalition Government of Democratic Kampuchea. They have been insisting on an equitable solution to the Cambodian question according to the relevant resolutions of the United Nations, and have made important contributions to maintaining peace and stability in Southeast Asia. The Chinese Government and people resolutely support and highly admire the just position of the Thai Government and people.

Your Excellency the Prime Minister, ladies and gentlemen, the foreign policy pursued by China has always been to oppose hegemonism and safeguard world peace. In international affairs, China adheres to maintaining independence and keeping the initiative in her own hands, and also respecting the independence and sovereignty of other countries. We advocate that all countries are equal and should respect each other, big or small, strong or weak, rich or poor. We also advocate that the internal affairs of all countries be decided by their own people and not be interfered with by other countries. We seek to establish and develop friendly relations with all countries on the basis of the Five Principles of Peaceful Coexistence.

The Southeast Asian countries are China's close neighbors, and the Chinese people have had traditional friendship with the people of all Southeast Asian countries. It is one of the main goals of our country's foreign policy to establish and develop long-term and stable friendly relations with our neighboring countries. At the same time, we also hope that all southeast Asian countries will coexist, unite, and cooperate with each other on friendly terms. We support the ASEAN countries' position that Southeast Asia should become a peaceful, free, and neutral region, and we also support the efforts of the Thai people and the people of other Southeast Asian countries to realize this goal.

Developing economy and improving the living standards of our people is a common task with which China, Thailand, and other Southeast Asian countries are faced.



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PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

We hold that further strengthening contacts and cooperation in the Southeast Asian region and promoting the development and prosperity of the economy of various countries conforms to the common interests and desires of the people of various countries in this region. During the past 10 to 20 years, many countries in this region have greatly developed their economies and thus made this region an area with the greatest vitality in regard to economic development in today's world. Our country's economy is developing along a healthy path. In implementing our open-door policy, we open up to developing countries as well as developed countries. China, Thailand, and Southeast Asian countries differ from one another in their national conditions, and each has its own favorable conditions. We are willing to help supply each other's needs, use each other's strong points to offset each other's shortcomings, and develop economic, trade, and technological cooperation with Thailand and other Southeast Asian countries. This "South-South" cooperation will not only promote the economic prosperity of each of these countries, but will also lay an even firmer foundation for good-neighborly relations among us.

Your Excellency the Prime Minister, ladies and gentlemen, this is the 10th year since the establishment of diplomatic relations between China and Thailand. This is a time for us to look back. We are pleased to see that during the past 10 years, the relations between our two countries have developed quickly in an all-round manner. The two sides have had frequent contacts, treated each other with sincerity, and established relations of mutual trust. The two countries have carried out very effective cooperation in political, economic, cultural, and other fields. Practice has proved that the friendly relations between China and Thailand, which are based on the Five Principles of Peaceful Coexistence, have strong vitality. Further consolidating and strengthening these relations conforms to the common desire of the peoples of our two countries and is conducive to the peace and stability of the Southeast Asian region. We believe that under our joint efforts, the friendship and cooperation between China and Thailand will certainly develop to a new high level in the future. Let us welcome the next decade of Sino-Thai relations with such a good faith.

Allow me to now propose a toast for the prosperity of the Kingdom of Thailand and the happiness of its people, for the traditional friendship and close cooperation between the peoples of China and Thailand, for the health and long lives of His Majesty King Phumiphon Adunyadet and her majesty the queen, for the health of His Excellency Prime Minister Prem Tinsulanon, and for the health of all the Thai friends present.

#### UN ENVOY CALLS SRV 'THREAT TO PEACE' IN ASIA

OW130728 Beijing XINHUA in English 0706 GMT 13 Mar 85

["China Condemns Vietnam's Military Provocations" -- XINHUA headline]

[Text] United Nations, March 12 (XINHUA) -- China today condemned Vietnam's latest military provocations along the Sino-Vietnamese border and the Thai-Kampuchean border, and also Vietnam's military offensives against Kampuchean resistance forces and innocent people.

The criticism came in a letter delivered to U.N. Secretary-General Javier Perez de Cuellar by China's U.N. Representative Ling Qing.

The letter said, "The Vietnamese troops have frantically bombarded border villages and towns inside China, wilfully shot and kidnapped Chinese border inhabitants, dispatched secret agents and other armed personnel to sneak into China's territories and conducted sabotage against production and economic installations."

The letter also condemned Vietnam for employing large numbers of troops to carry out blatant military offensives against the resistance forces and civilians of Kampuchea and for making repeated incursions into the Thailand.

China "resolutely supports the peoples of Kampuchea and Thailand in their just struggle against Vietnamese aggression," the letter said.

The letter pointed out that Vietnamese military offensives "constituted a grave threat to the peace and tranquility of Southeast Asia and Asia as a whole," and "this cannot but arouse the serious concern of the international community."

"The Chinese Government solemnly demands that Vietnam implement the resolutions on the question of Kampuchea adopted by the United Nations General Assembly, immediately cease its acts of infringement upon the territorial sovereignty of Thailand, completely withdraw its troops from Kampuchea and stop all its military provocations and incursions against the Chinese border," the letter said.

#### SRV ATTACKS ON PRC POLICY LACK SELF-KNOWLEDGE

HK111225 Beijing RENMIN RIBAO in Chinese 9 Mar 85 p 6

["International Jottings" by You Jun: "A Singular Lack of Self-Knowledge"]

[Text] In recent years, the Chinese people have led a better and better life. Many countries in the world and their people have been unanimous in praise. Only the Vietnamese Government feels resentful about it. Vietnamese newspapers and magazines have recently vigorously attacked China's policies, formulated in light of its own conditions, in terms such as "reactionary," "betrayal," and so forth.

As to whether or not China's policies are correct, a conclusion can be drawn from the facts of China's economic development. How are things with Vietnam itself, which has been so critical of China? Not long after the reunification of north and south Vietnam, the Vietnamese Government came out with many promises to the people, making such claims as that mechanization was to be realized in the northern plains "in 5 years," "every household" was to be provided with radios, television sets, and refrigerators and with "beautiful porcelain tableware" "in 10 years," society was "making proper preparations" to supply whatever children, women, and elderly people wanted, half of the peasant households were to be able to live in tile-roofed houses, and so on and so forth.



Now, 5 years have passed and the 10-year time limit will also soon be up. But how are things in Vietnam? With its invasion of Cambodia, Vietnam has found itself in an increasingly difficult plight economically. An answer can be found in the recent remarks of Vo Van Kiet, member of the Vietnam Communist Party Political Bureau responsible for state planning, who said: Now Vietnam "is short of everything" from materials needed for economic construction to everyday consumer goods. He also said: "In 1985 and the several ensuing years, the problem of livelihood will remain a primary one."

The Vietnamese Government's carrying out aggression abroad has reduced the state to such a shambles. Yet it is still finding fault with others, saying this and that. Does this not serve to show that it is too sadly lacking in knowledge about itself?

SRV DIVISIONAL HEADQUARTERS ATTACKED IN CAMBODIA

OW120859 Beijing XINHUA in English 0720 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Troops of the Democratic Kampuchea National Army successfully attacked the headquarters of the Vietnamese 339 Division in the Leach District of Pursat Province, Radio Democratic Kampuchea reported today.

The report said that during the night of March 8 the National Army advanced along two routes and simultaneously launched an attack on the headquarters of Vietnamese 339 Division and their ammunition depots and garages.

The fighting lasted 30 minutes. 53 Vietnamese were killed and 62 injured, the report said.

The attack destroyed eight ammunition depots, four military supply depots, two grain depots, one tire depot and twenty trucks. The National Army also captured some military supplies, the report added.

REPORTAGE ON VISIT BY PDRY FOREIGN MINISTER

## Talks With Wu Xueqian

OW101054 Beijing XINHUA in English 1039 GMT 10 Mar 85

[Text] Beijing, March 10 (XINHUA) -- China supports the Arab and Palestinian people's struggle against Israel's aggression and expansion, including armed struggle and that in the form of negotiations, Wu Xueqian, China's state councillor and foreign minister, said here today. In his talks with 'Abd al-'Aziz al-Dali, minister of foreign affairs of the People's Democratic Republic of Yemen on a visit here, Wu said that though the Middle East question is a complicated one, the Arab and Palestinian people are sure to win their struggle as long as they strengthen their unity. "The Chinese Government and people will always remain reliable friends and brothers of the Arab and Palestinian people," he pledged. The Chinese foreign minister also talked about the situation in the Korean peninsula, the Kampuchean issue, Sino-U.S. and Sino-U.S.S.R. relations, and China's economic reform and foreign policy.

Al-Dali said the Democratic Yemen held that the resumption of nuclear arms talks between the Soviet Union and the United States could help relax world tension. The Democratic Yemen Government had devoted itself to developing friendly relations with its neighboring countries, the Yemen foreign minister said. Relations between North and South Yemen had also been improved. Turning to the Iran-Iraq war, Al-Dali said the Democratic Yemen Government hoped that the two countries would soon stop fighting, as it was not in the interests of the people of the two countries, nor those in other countries of the region. Continuation of the war would lead to intervention and aggression by external forces, he stressed. Al-Dali also talked on the Palestinian problem, the situation in the Horn of Africa and the achievements the Democratic Yemen had made in internal and external affairs.

It is learned that the three-hour talks proceeded in a sincere and friendly atmosphere. The two parties held identical or similar views on major international issues and expressed satisfaction over the friendly cooperation between the two countries. They also exchanged views on further development of economic cooperation and trade. Present on the occasion were officials from China's Foreign Ministry, Ministry of Foreign Economic Relations and Trade, and Democratic Yemen Ambassador to China Ibrahim 'abdallah Saidi.

## Qiao Shi Meets Al-Dali

OW101318 Beijing XINHUA in English 1307 GMT 10 Mar 85

[Text] Beijing, March 10 (XINHUA) -- Qiao Shi, alternate member of the Secretariat of the Chinese Communist Party's Central Committee, met with 'abd al-'Aziz al-Dali, member of the Political Bureau of the Yemeni Socialist Party and foreign minister of the People's Democratic Republic of Yemen, here this evening at the Great Hall of the People. During a cordial conversation, Qiao said that the Chinese Communist Party and the Yemeni Socialist Party had very good relations. He expressed the hope that the friendly relations and cooperation between the two parties, countries and peoples would grow further. Al-Dali expressed his agreement with Qiao's view, adding that the bilateral relations should go forward from the present level.

Both Qiao and Al-Dali held that the parties and Governments of China and Democratic Yemen had many common points on international issues as well as on matters of internal construction and the two sides should increase their mutual understanding through more contacts in the future.

After the meeting, Qiao gave a dinner in honor of Al-Dali and his assistants. Present were Li Shuzheng, alternate member of C.P.C. Central Committee and deputy head of the International Liaison Department of the C.P.C. Central Committee, and Ibrahim 'abdallah Saidi, Democratic Yemeni ambassador to China. This afternoon, Li Shuzheng held talks with Al-Dali on further developing relations between the two parties.

#### Zhao Ziyang Receives Visitor

OW111826 Beijing XINHUA in English 1739 GMT 11 Mar 85

[Text] Beijing, March 11 (XINHUA) -- Chinese Premier Zhao Ziyang said here today that the Chinese economy had entered an orbit of steady and coordinated development. He was speaking at a meeting with 'Abd al-'Aziz al-Dali, minister of foreign affairs of the People's Democratic Republic of Yemen, and his visiting party. Briefing the visitors on China's economic development, Zhao said that the Chinese economy was healthier now than for the last few decades, but China was still an underdeveloped country both economically and culturally. He pointed out that China's policies for invigorating the national economy and opening to the outside world were aimed at building socialism in the best way. During the modernization program, Zhao said, China would persist with its state ownership and the socialist planned economy, and keep to self-reliance. At the same time it would also adopt a flexible policy to mobilize all positive factors and promote economic and technical cooperation with other countries. China had achieved marked results in developing economy during the past five years. The current policies have been drawn up to tackle the conditions in China. Zhao said that China believed the developing countries should not follow the capitalist road of the Western countries that will create a great gap between the rich and the poor. But the radical, ultra-left policy also did not work, he said. After achieving independence, developing countries should adopt a policy in keeping with their own conditions in national construction.

The premier expressed his satisfaction over the development of friendly relations and cooperation between the two countries. China would continue its efforts in developing its ties. The two countries should maintain their traditional economic and technical cooperation on the basis of equality, mutual benefit, effectiveness, varied forms and common progress.

[XINHUA Domestic Service in Chinese at 1721 GMT carries a similar report which adds at this point: "China and the People's Democratic Republic of Yemen are two friendly developing countries. Both are working for the development of their own countries. He hoped that the two countries will exchange experience in this aspect."]

Al-Dali, who first visited China in 1974, said that he witnessed great changes here over the past 11 years. He said that Democratic Yemen set a high value on the friendly relations and cooperation between the two countries and hoped to further promote such relations, particularly cooperation in fishing and road construction.

Earlier today, Al-Dali and his party visited the Beijing Yili food products factory. They will leave Beijing tomorrow morning to tour Guangzhou and the Shenzhen Special Economic Zones.

LEADERS JOIN IN TREE-PLANTING ACTIVITIES

OW122034 Beijing XINHUA in English 1555 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Deng Xiaoping, Hu Yaobang, Zhao Ziyang and other Communist Party and government leaders planted more than 100 cypresses in the Temple of Heaven Park here today. Today was China's official tree-planting day, and since 1982, the party and government leaders have joined the people in the tree-planting drive every year. They have planted many trees, including pines, Japanese flowering cherries and plum trees on the western hills and near the Ming Tombs in Beijing.

Deng, 81, arrived at the part hand in hand with his five-year-old grand daughter. Seeing her grandpa working hard with a spade, the youngster also tried to help by shovelling earth around the root of a tree. Deng showed her how to do it properly. He told her: "You are still young. Let's water trees together."

The top Chinese leader is an initiator of the national afforestation drive. A resolution to encourage the work was adopted at the Fourth Session of the Fifth National People's Congress in 1981.

After planting a cypress, Communist Party General Secretary Hu Yaobang suggested to Li Ximing, secretary of the Beijing municipal party committee, and Beijing Mayor Chen Xitong that since the weather here was still cold during March, the city could postpone its tree-planting day to a Sunday in April, to make it easier for old and young to take part. The two city leaders agreed with Hu's suggestion, and said they would submit it to the Beijing Municipal People's Congress.

Premier Zhao, in grey uniform, immersed himself in hard work by planting one tree after another. Peng Zhen, 83, who is chairman of the Standing Committee of the National People's Congress, was also in high spirits. Others asked him to take a rest, but Peng said the work was nothing for him. He then cooperated with Deng Xiaoping in planting two trees. Meanwhile, Vice-Premier Wan Li who is the chairman of the National Committee for Tree Planting, joined the residents of Hefei, capital of Anhui Province, in planting trees in a park.

ULANHU ATTENDS SUN YAT-SEN COMMEMORATION MEETING

OW120935 Beijing XINHUA in English 0907 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- The 60th anniversary of the death of Dr. Sun Yat-sen, great forerunner of the Chinese democratic revolution, was solemnly marked here today. Ulanhu, member of the Political Bureau of the Communist Party Central Committee and China's vice-president; Xi Zhongxun, Wang Zhen and Yang Shangkun, members of the C.P.C. Central Committee's Political Bureau; and Vice-Premier Tian Jiyun joined over 400 people at a commemoration ceremony which was held this morning at the Zhongshan Hall in Zhongshan Park.

Sun Yat-sen (1866-1925), born in Xiangshan County, Guangdong Province, led the revolution of 1911 which overthrew the Qing Dynasty and put an end to the feudal autocracy which had ruled China for thousands of years. He founded the Kuomintang (Nationalist Party), the first bourgeois political party in China, and brought about the first period of cooperation between the Kuomintang and the Communist Party. He died on March 12, 1925.



A portrait of Dr Sun hung in the memorial hall, with pots of flowers banked up beneath.

After Zhu Xuefan, vice-chairman of the Standing Committee of the National People's Congress and vice-chairman of the Central Committee of the Chinese Kuomintang Revolutionary Committee, opened the ceremony at 10 a.m., those present stood in silent tribute.

Then, Ulanhu and Xu Deheng laid baskets of flowers before the portrait on behalf of the C.P.C. Central Committee and the National People's Congress Standing Committee, respectively. Baskets of flowers were also presented by representatives of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), the Central Committee of the Kuomintang Revolutionary Committee, the United Front Work Department of the C.P.C. Central Committee and the municipal people's government of Beijing.

A basket of flowers was also laid by a representative of Deng Yingchao, chairman of the CPPCC National Committee. Similar commemoration activities were also held today in Shanghai, Nanjing, Guangzhou and Wuhan.

#### 1984 TEXTILE INDUSTRY OUTPUT SHOWS INCREASE

OW122010 Beijing XINHUA in English 1436 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Total output value of China's textile industry reached 108.3 billion yuan in 1984, up 13.3 percent on the 1983 figure, according to the State Statistical Bureau. Overall increases were registered for all categories including chemical fibers, up 38.6 percent, natural fiber fabrics, 26.3 percent, bast fiber fabrics 51.9 percent, knit goods 11.6 percent and silk fabrics 11 percent. Last year, output value of woolen textiles reached 7.3 billion yuan, 16.9 percent over 1983. Textiles output value was 57.7 billion yuan, up 6.9 percent.

According to the State Statistical Bureau, 1,360 million meters of chemical fiber fabrics were sold in China in 1984, 13.3 percent more than in 1983, 260 million meters of woolen fabrics were sold, up 23.8 percent, 79,550 tons of knitting wool were sold, up 29 percent and 690 million meters of silks and satins, up 19 percent.

In 1984, more than 80,000 wool spindles were added at weaving mills and production capacity of chemical fibers also expanded. Technical transformation of factories and imports of printing, dyeing and finishing equipment aided improvement of quality and variety, according to the Textile Industry Ministry. Future plans include technical upgrading concentrating on garments, decorative fabrics and textiles for industrial use.

#### ZHAO VISITS SHENYANG DURING SPRING FESTIVAL

SK120952 Shenyang LIAONING RIBAO in Chinese 27 Feb 85 p 1

[Text] After happily spending the Spring Festival with the people in Heilongjiang and Jilin Provinces, Zhao Ziyang, premier of the State Council, and Wang Renzhong, vice chairman of the NPC Standing Committee, stayed at Shenyang from 24 to 25 February.



During their stay, Premier Zhao Ziyang and Vice Chairman Wang Renzhong heard the work briefings given by the provincial authorities, and Shenyang and Dalian; held forums with the responsible persons from some major enterprises; and gave instructions on the work of our province and the cities.

On the morning of 24 February, the last day of the Spring Festival, Premier Zhao Ziyang and Vice Chairman Wang Renzhong, accompanied by the leading comrades of the provincial and Shenyang city organs, including Guo Feng, Li Tao, Zhang Zhengde, and Li Changchun, took an inspection tour in the Tiexi industrial zone of Shenyang. Then they visited the Shenyang gasification plant located at Hushitai in northern Shenyang. At the plant, they viewed the operation of making oxygen and gas and of purification in the three workshops; extended festival greetings to workers attending to production during the holidays; and asked about the studies of young workers at the training and spare time college classes. On the evening of the same day, Premier Zhao Ziyang and Vice Chairman Wang Renzhong received the leading comrades from the provincial and Shenyang city organs, the Shenyang Military Region, and from the provincial military district; responsible persons from the provincial and Shenyang city departments, commissions, and bureaus; and noted personages from the scientific and technological, educational, cultural, and sports circles. At the reception, they extended festival greetings to the participants and watched a film with them.

On 25 February, Premier Zhao Ziyang and Vice Chairman Wang Renzhong held a forum with the responsible persons from the pump plant, the electric wire and cable plant, the transformer plant, the high-voltage switch plant, the Sino-Czechoslovakian friendship plant, and the Nos 1 and 3 machine tool plants to discuss the issues of enlivening key enterprises and conducting technical renovations. They also heard briefings given by the leading comrade of Shenyang regarding the overall plan for conducting technical renovations in the Tiexi industrial zone, and by the provincial and Dalian personnel regarding the issues of enforcing the open-door policy. Prior to their departure, they also paid a visit to the comrades of the PLA units under the Shenyang Military Region.

In hearing briefings and holding forums, Premier Zhao Ziyang offered important opinions concerning the issue of how to enliven key enterprises and how to conduct technical renovations. Premier Zhao stressed: In vitalizing large enterprises, the state must on the one hand delegate the already set power to enterprises, and, on the other hand, large enterprises must foster an idea of keeping their eyes on and catering to the needs of enterprises. Within the scope prescribed by the state, they must know how to tap their own potential to vitalize enterprises and to boost the enthusiasm of the staff members and workers. Large enterprises may also use the experiences and methods of some small enterprises for reference and may learn from them how to vitalize enterprises. Of course, large enterprises must also integrate such experiences with their own situations. A workshop of a large enterprise is as large as small plant. In the past, workshops only catered to production. Basically, they did not care about operations. Delegating operational power to workshops, we may consider turning workshops into small accounting units and giving them greater power. It is necessary to seize opportunities to allow other small grass-roots plants to produce parts and carry out horizontal cooperation. Enabling enterprises to conserve raw materials and reduce consumption is an important issue. It is necessary to put great energies on conserving raw materials and reduce consumption is an important issue. It is necessary to put great energies on conserving raw materials, encourage and reward enterprises that reduce production costs, and integrate improvements in economic results with workers' economic benefits. Premier Zhao pointed out: In the future, plants may study and establish the funding system. They should not share all funds and welfare funds during a good year. A certain amount of those funds should be retained for award or wage funds. The state will not take such funds. During a poor production year plants may use such funds for distribution to ensure a stable fund and wage income for workers.

While referring to enterprises' technical transformation, Premier Zhao showed great concern for whether the machinery industry is operating at full capacity and whether there are contradictions between fulfillment of tasks and carrying out technical transformation. When Premier Zhao came to understand that the machinery industry in Shenyang is serving the development of energy and communications, and is operating in full production capacity -- which may be called a golden period -- Premier Zhao pointed out: Under such circumstances, we should never neglect technical transformation, product quality, and service attitude. He said: Large enterprises should pay attention to comprehensive utilization. The higher levels should formulate some policies to encourage large enterprises to attend to comprehensive utilization. While holding forums and inspecting plants, Premier Zhao also touched on the issue of developing the tertiary industry. He pointed out: At present, the tertiary industry is not invigorating, because some policies are irrational. We must solve this problem in order to greatly develop the tertiary industry. He said: It is necessary to operate public utilities such as gas, tap water, and city public communications, as industries. We should not run them at a loss.

REPORT ON HU QIAOMU'S FUJIAN INSPECTION 3-24 FEB

OW111321 Fuzhou FUJIAN RIBAO in Chinese 25 Feb 85 p 1

[Dispatch by our reporter Pan Zhaozong and correspondent Lin Honglin]

[Text] Comrade Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, concluded his inspection tour of our province and departed from Zhangzhou on 24 February.

Comrade Hu Qiaomu arrived in Fuzhou on 3 February. He conducted inspections in Fuzhou, Xiaren, Guanzhou, and Zhangzhou. During his inspection tour, he received responsible comrades of party, government, and Army organizations at the provincial level and in various localities; held cordial conversations with Xiang Nan, first secretary of the provincial CPC Committee, and Fu Kuiqing, political commissar of the Fuzhou Military Region; heard briefings by the provincial departments concerned and by various localities; and conducted discussions with experts, professors, and cadres from trade unions, CYL organizations, and women's federations. He listened to views of many circles and made a number of important speeches.

**Basic Industrial Construction Must Be Strengthened**

Comrade Hu Qiaomu highly praised the rapid advance Fujian made in economic construction during the past few years. In their briefings, the leaders of departments concerned said that due to the lack of a sound foundation, in the past few years Fujian devoted its efforts mainly to laying the foundation and creating conditions and the environment for opening to the outside world. Now, they said, all the eight projects which constitute the first part of the construction program have begun to yield economic benefits, and Fuzhou and Xiamen have achieved initial results in coordinating with each other in building airport, harbor, wharf, and telecommunication projects. These achievements are rather attractive to Overseas Chinese and foreign investors, they added. Hu Qiaomu affirmed the propriety of the approach and measures taken. He said: Without a foundation, it would be hard to sustain the steady development of industry. Failure to establish basic industries would make it impossible to invigorate Fujian's economy. It is imperative to make an overall plan to strengthen basic industrial construction (including energy industry and transportation). The locations of basic industrial projects should be spread wider, and the proportion of light and heavy industries should be made more suitable to objective necessity and possibilities in the province.

Comrade Hu Qiaomu showed great concern for the development of the Xiamen-Zhangzhou-Quanzhou triangle. He said: The prospect of developing the triangle in southern Fujian is very bright. However, the industrial infrastructure of Zhangzhou and Quanzhou is yet to be established. With Xiamen in the lead, the three cities should jointly study population and geographical conditions and natural resources in the surrounding areas to find out what their favorable conditions are and what projects they intend to undertake. They should set 5- and 10-year goals and work out a realistic tentative plan for gradual implementation in the future.

Comrade Hu Qiaomu also pointed out: In developing the special economic zones, it is necessary to plug loopholes by strengthening control and supervision of joint venture and enterprises with sole ownership in order to protect national interests and the legitimate rights and interests of foreign businesses and to successfully carry out the work of attracting foreign capital.

#### Education Must Serve Economic Construction.

Education must serve economic construction. This is a point stressed by Comrade Hu Qiaomu during his inspection of Xiamen University. He said: The central authorities expect education to make a more direct contribution to economic construction. In the process of opening ourselves to the outside world, we have imported a number of advanced technologies, such as program-controlled telephone and optical fiber technology, more advanced chemical technology, and sensitive materials technology. However, we are faced with the question of digesting, absorbing, and improving what we have imported. Xiamen University should use its strong scientific foundation to help the various enterprises study questions of scientific application and technological reform, explore other new areas of development, and vigorously popularize the application of applied mathematics (including operational research, decisionmaking, and optimization), and computer science in production, designing, construction, management, and operation in order to achieve the best economic results.

During a briefing presented by education departments, Comrade Hu Qiaomu relayed the central authorities' basic ideas in education and science and technology structural reform. He stressed the need to develop vocational education, successfully operate vocational and spare time colleges, and give vocational middle schools a dominant place in secondary education in order to bring up a large number of qualified medium-level technical personnel for economic construction.

Comrade Hu Qiaomu once wrote a letter to Comrade Xiang Nan on the question of popularizing putonghua. In the letter, he introduced the measures taken by Guangdong in this work. Upon receiving a report from the department concerned on the progress made in popularizing putonghua, he further pointed out: "We cannot do without putonghua in opening to the outside world and developing the economy. Popularizing putonghua is more important to Guangdong, Fujian, Zhejiang, Jiangsu (southeastern part), and Shanghai than to the rest of the country. I remember that the No 1 issue of HONGQI carried a report on Fujian's Datian County as a model in popularizing putonghua. I wonder what progress the county has made so far. Please find out about it and send me a letter."

#### It Is Necessary To Recruit Party Members From Among Young People.

Comrade Hu Qiaomu raised the question of recruiting party members from among young people as a task having a direct bearing on the party's future. He said: Nationally speaking, the ratio of young party members under 25, including those in the PLA, is rather low. This is the result of our party's long negligence of this question since the founding of the country.



Unless we take this question seriously now, we shall have difficulty meeting the party's needs for young cadres. In addition, the pressing aspirations of the vast numbers of young people to understand and get closer to the party, to raise their understanding of Marxism and socialism, and to join the party will be frustrated. Fujian also faces this problem. We have stressed the need to keep the ranks of our cadres young. How can we achieve this goal if we do not work hard to increase the ratio of young party members? We should recruit into the party young people in colleges, secondary technical schools, and vocational and general high schools who are in the prescribed age bracket and are politically qualified; we should at least give them party education. We should regard this task as important and pressing as that of recruiting party members from among PLA commanders and fighters. College students are the country's future backbone. It is all right if there are no party members in the backbone? This work should be started from the first year of college. We cannot wait until they are near graduation, because by then most of their school years would have been spent without receiving party education, testing, and tempering and without having displayed their role as party members.

Comrade Hu Qiaomu said: It is believed that this question is not difficult to resolve because primary and secondary education in Fujian has been pretty good in the past except for the 10 years of the "Cultural Revolution." Generally speaking, the quality of education in our province is better than in other parts of the country, although it has not yet returned to the original level. In view of this, it should not be hard to solve the question of college students joining the party. Of course, it is necessary to choose those college students who are qualified. Those who are not qualified should not be admitted into the party. Attention should be paid to recruiting young people into the party, not only from universities and secondary specialized schools but also from factories and rural areas. Primarily factories and enterprises -- not only state-owned big and medium enterprises but also small neighborhood enterprises -- should pay attention to this work. We are the vanguards of the working class. If we do not recruit party members from among workers, how can we play a vanguard role? Rural areas constitute a front where we should not relax our efforts. At present rural youths are very enthusiastic about study. Their study should include politics.

In view of Fujian's salient features as a result of its open policy, Comrade Hu Qiaomu said that it is also necessary to strengthen party construction in joint ventures and in enterprises solely owned by single investors.

#### More Propaganda Should Be Made on Serving the People

With regard to the question of building spiritual civilization, Comrade Hu Qiaomu stressed: Undoubtedly, it is of great importance to change old ways and customs that hinder the development of productive forces and to establish a new healthy and scientific lifestyle which meets the needs of modern production. However, there is one thing that is especially worthy of attention at present, that is, to overcome the erroneous trend of "putting money above all else." Among Communist Party members, and in government organizations and socialist enterprises, we must unswervingly stress publicizing the idea of serving the people wholeheartedly, making our country prosperous and our people affluent, and quadrupling the gross annual value of industrial and agricultural production by the year 2000. We should deal resolute blows at all new unhealthy practices.

During his inspection tour, Comrade Hu Qiaomu stressed the following point everywhere he went: The CPC Central Committee's and State Council's policy of supporting the people and enterprises in urban and rural China to become prosperous through hard work and the policy of giving more pay for more work and opposing egalitarianism will not change. In our propaganda, it is necessary to emphasize that when a person or enterprise becomes prosperous through hard work, he does so by legitimate means and contributes to national prosperity.



It is necessary to curb the new unhealthy practices, such as using one's power to run enterprises, indiscriminately raising prices, and wantonly distributing money or goods. It is necessary to correct the wrongdoing of using illegitimate means to damage the general interest of socialist economic construction, of abusing the banner of reform and violating party and government discipline and state law to seek profit for oneself or for one's unit. It is necessary to mete out appropriate punishment to the wrongdoers in accordance with the law if their actions are serious. Only by so doing can we consolidate and develop the fruits of party rectification, change the social atmosphere, and ensure the further development of the excellent situation under the new conditions of reform and opening to the outside world.

During his inspection tour, Comrade Hu Qiaomu also celebrated the Spring Festival together with the Army and the people of Xiamen. He climbed Yundingyan to extend new year greetings to the commanders and fighters stationed there. In Zhangzhou, he paid a visit to veteran and new members of the Chinese women's volleyball team at the team's training site and cut the ribbon at the cornerstone laying ceremony for the team's "triple championship" statue.

#### PENG ZHEN TOURS OIL FIELDS IN SHANDONG PROVINCE

SK060401 Jinan Shandong Provincial Service in Mandarin 2300 GMT 5 Mar 85

[Text] Peng Zhen, member of the CPC Central Committee Political Bureau, and chairman of the NPC Standing Committee, inspected Shengli oil field, Jinan and Taian, and Huantai County of our province 1 - 5 March. On the afternoon of 4 March, accompanied by Li Changan, deputy secretary of the provincial CPC Committee, and Qin Hezhen, chairman of the provincial People's Congress Standing Committee, Comrade Peng Zhen inspected the Xin-1091 well-drilling worksite which was completed recently, and extended warm regards and congratulations to all the well-drilling workers. After that, despite fatigue, Comrade Peng Zhen went to the (Yangfeng)-24 gusher well, and asked in detail about oil drilling footage and reserves. He also inspected a reservoir and visited workers' families. At the home of Chu Wenzhong, Comrade Peng Zhen asked in detail about the family income and their lives. He also happily had a group picture taken with the family members of (Hu Wenzong).

During the past few years, Shengli oil field discovered 49 oil fields, and put 1,331 square meters of oil-bearing areas under control. High-yielding wells achieved victories one after another, thus contributing to the country's petroleum industry. Comrade Peng Zhen's visit to the oil field has greatly inspired the masses of oil workers.

During his stay in Jinan, Comrade Peng Zhen heard a report on the work of the Shandong Provincial CPC Committee. He expressed satisfaction with Shandong's achievements scored during the past few years. On reforms, Comrade Peng Zhen said: It is necessary to carry out reform if we are to accomplish the four modernizations smoothly and achieve the quadrupling goal by the end of this century. It was because of over-rigid control that China's feudal society of several thousand years made slow progress. Therefore, all departments, from central down to local authorities should simplify administrative procedures and delegate power to lower levels so that they can enliven the economy as a whole. In the course of reform, we should pay attention to a very important issue, that is, we should conduct thorough and painstaking investigations and research, and carry out reforms in the fields where we are sure of success. If problems arise, we should solve them. We must adhere to the principles of reform.

On judicial and public security work, Comrade Peng Zhen stressed: First, we should fully estimate the achievements in the recent work of dealing stern blows to crimes.

Second, we should understand the protractedness of this struggle. While strengthening propaganda on the legal system, we should successfully tackle problems in a comprehensive manner, including the thorough negation of the Great Cultural Revolution, so that the remaining pernicious influence of the Great Cultural Revolution in the fields of ideology, politics, and work style can be thoroughly eliminated.

During his stay in Shandong, Comrade Peng Zhen also inspected Taian and Huantai County. He also heard work reports of local leading comrades, and toured Taian's Dai Temple and Jinan's Daming Lake and Baotu Fountain. During this period, he conducted detailed investigations on the excavation and collation of the Dawenkou culture which has a history of more than 5,000 years. After visiting the provincial museum, Comrade Peng Zhen wrote an inscription, which read: "Make the past serve the present."

#### COMMENTATOR'S ARTICLE VIEWS 1984 PLAN FULFILLMENT

OW120223 Beijing XINHUA Domestic Service in Chinese 0046 GMT 11 Mar 85

[XINHUA commentator's article: "Think About the Whole Course: Pay Attention to Stamina"]

[Text] Beijing, 11 Mar (XINHUA) -- The newly-released statistical communique on the fulfillment of 1984 national economic and social development plan has shown that our country's growth in industrial production is very rapid, like that in the development of agriculture and other trades. It was learned that the speed of industrial development in the first 2 months of this year was faster than in the same period last year. This was the victorious result of our party's policy of invigorating the domestic economy and opening to the outside world.

Now, more and more people have realized that not only can we realize the grand goal of quadrupling China's annual industrial and agricultural output value by the end of the century, but also have an even brighter future through hard work. The current concern is that we must constantly study the new situation, and solve new problems in order to consolidate, and develop, this excellent situation.

People familiar with the marathon know that, whether an athlete can win the race or not depends not only on his speed at the start, but, what is more important, on whether the athlete can persevere in the race, and maintain a relatively fast pace through to the end. Speed during a certain period cannot show one's real capability. Only speed through to the end can show one's real power. In industrial development, we should also act as if in a marathon. We must not be satisfied with the present high speed, but should ensure that we can continue to develop at a relatively fast pace until victoriously entering the next century.

With this understanding in mind, we should pay attention to the important problems in current industrial production. Some enterprises are operating below capacity, due to a shortage of electric power, the hampering of production by inadequate transportation capacity, or halting operations while awaiting raw materials. Of course, the fundamental way to solve these problems is to speed up development in energy and transportation, and increase the supply of raw materials. However, this takes time. In 1984, through great efforts by various departments, the total energy production and volume of transportation increased by 7.4 percent and 3.6 percent respectively. However, the increase lagged far behind the speed of increase in total industrial output value. The situation since the beginning of this year has been about the same. This reminds us that we must pay attention to the staying power of industrial production. We should look ahead and back, strive to achieve a sustained, stable, and coordinated development, and not just pay attention to current speed.

We want high speed in developing our industrial production, but we must proceed from reality in everything. We should attach importance to economic and social results. Currently, there are enterprises putting undue emphasis on the speed of development. They pay no attention to social needs and subjective and objective conditions, but seek a continuous increase in the production index, and compete with other units in the speed of development. Our past practice has proved that, seeking high speed while being divorced from reality would bring about a great upheaval in production and cause great loss to the state and the enterprise. Therefore, we must take an attitude of seeking truth from facts, and do things in a solid manner. As for items needed by society, the production of which can be increased significantly, we should make efforts to quickly develop production. With items not needed by society, or if conditions for producing such items are not good, we should refrain from seeking a high index and competing with other units. We must not just pay attention to speed of development, but should make greater efforts to reduce consumption, raise quality, and increase income and economic results.

We can go all out to do our work, but must not slacken our efforts. We should spend our efforts in the right way. We should take effective measures to raise economic results, seek truth from facts, and maintain a sober mind. The purpose of this article is to encourage readers to make this sort of effort.

COMMENTATOR ON REFORMING IMPORT-EXPORT TARIFFS

HK091004 Beijing RENMIN RIBAO in Chinese 7 Mar 85 p 2

[Commentator's article: "Meet the Needs of Construction, Reform the Customs Tariff System"]

[Text] The role of tariffs in modernization should not be underestimated. They play a regulating role in imports and exports. For example, by fixing low tariff rates on the import of advanced technology, equipment, raw materials, and materials needed for modernization, the importation of such items will be encouraged. Fixing adequate but relatively higher tariff rates on goods with a big price difference at home and abroad and on goods in sufficient supply at home will protect domestic goods of the same kind in their competition with imported goods. Our country is a developing country and our level of production is still much lower than that of the developed countries. It is extremely necessary to use tariffs as a means to promote and protect newly rising industries. By using tariffs in this way, it is possible to develop relations of economic and technological cooperation with foreign countries on the basis of equality and mutual benefit. Tariffs are also an important item of revenue for the central government. In 1984, tariffs collected by the customs reached 10.4 billion yuan, which is a source of income not to be neglected.

At present, the reform of the economic system in our country is being smoothly carried out. With the expansion of areas opened to the outside world and the in-depth reform of the economic system and of trade with foreign countries, the regulating role of tariffs will become even more important. The tariff system also needs corresponding reform. The revised tariff regulations and regulations on import and export duties have implemented the policy of opening further to the outside world, embodied the spirit of encouraging the expansion of exports and ensuring the import of necessary goods, adhered to the principle of promoting the development of the national economy while ensuring the country's revenue from tariffs, and met the needs of the reform of the economic system. In view of the fact that the international market is ever changing, the domestic price system will be gradually reformed, and domestic production is rapidly developing, tariff rates should also make rapid responses and what should be readjusted should be readjusted in good time so that tariffs may provide timely service to the further development of economic exchanges with foreign countries.



Tax law is something solemn. It is imperative to have unified tariffs internally and externally. Tariff policy and tariff law must be formulated in a unified manner by the state; the collection, reduction, and exemption of tariffs must be handled in a unified manner by Customs as authorized by the state; and various localities and departments must seriously abide by relevant regulations. Local party and government leading departments must support the work of Customs. Customs in various localities should improve and perfect their systems, raise the quality of cadres, strengthen management in tax collection, oppose illegal activities such as smuggling and tax evasion, and ensure the correct and effective implementation of the tariff regulations and regulations on import and export duties.

#### SPOKESMAN INTERVIEWED ON NEW TARIFF REGULATIONS

OW130025 Beijing XINHUA Domestic Service in Chinese 0823 GMT 6 Mar 85

[Text] Beijing, 6 Mar (XINHUA) -- The spokesman of the General Administration of Customs today replied to questions from XINHUA and RENMIN RIBAO reporters on the implementation of the "regulations of the People's Republic of China on import and export duties" and the "customs import and export tariff of the People's Republic of China."

Question: Why should we formulate the "regulations on import and export duties" and revise the "customs import and export tariff"? What is the major significance?

Answer: Following further implementation of the policy of opening to the outside world and the policy of enlivening the domestic economy, China's foreign economic exchanges and trade have increasingly been expanded. To this end, we must further improve the tariff system to promote exchanges at home and abroad and to expand international economic cooperation. The implementation of the newly-formulated "regulations on import and export duties" and the revised "customs import and export tariff" will surely play a fine role in supplementing the economic structural reform, promoting and protecting domestic production, regulating foreign economic exchanges, and accumulating funds for state construction.

Question: Compared with the current duty regulations and the regulations for implementation, what are the major revisions in the new "regulations on import and export duties" and the "customs import and export tariff"?

Answer: In general, the new "regulations on import and export duties" and the "customs import and export tariff" differ from the current duty regulations and the regulations for implementation in the following major aspects: 1) The tariff system has been perfected. The new "regulations on import and export duties" are the basic law on tariffs defining the basic tariff system, as well as the rights to obligations of the tariff payers. As a component part of the "regulations on import and export duties," the "customs import and export tariff" has perfected the past tariff system. 2) The structure of tariff rates has been changed. The new "customs import and export tariff" has been compiled on the basis of the "classified commodity catalogue of the Customs Cooperation Council" which is used internationally. There are two tariff rates -- namely, the "general tariff rate" and the "minimum tariff rate" -- for imported commodities. However, application of the tariff rates has been changed from the past "country of procurement" to the "country of origin." Imported commodities from countries which have not signed trade treaties or agreements on preferential customs duties with our country are taxed according to the general tariff rate. Imported commodities from countries which have signed trade treaties or agreements on preferential customs duties with our country are taxed according to the minimum tariff rate. 3) Tariff rates have been readjusted on a comparatively broader scope. Tariff rates have been lowered for 55 percent of all taxable items. The minimum tariff rate has also been lowered from the past 5 percent to 3 percent. According to estimates, import duties will be reduced by an average 10 percent after revision.



Question: Please discuss in detail the application of the import and export duty rates and the changes involved.

Answer: The import and export duty rates under the new "customs import and export tariff" are applicable to import and export goods in foreign trade, and the major changes can be described by the following six aspects: 1) Rates have been lowered on a relatively large scale for raw materials and manufactures, especially those restricted by natural conditions and those whose production at home cannot be rapidly developed in a short period. For example, rates for iron and steel plates and bars have been reduced from 35 to 15 percent (referring to minimum rates, as well as for the following); paper pulp from 7.5 to 3 percent; sulfuric acid, caustic soda, and soda from 50 to 25 percent; and phosphoric acid from 30 to 3 percent. 2) Rates have been formulated as low as possible for new-type materials, new technology products, and data processing equipment. For example, rates for microchips used in the electronics industry have been lowered from 25 to 6 percent; modulation-type [mo ni shi 2875 2362 1709] and combination-type [hun he shi 3236 0678 1709] automatic data processing equipment from 25 to 9 percent; and programmable telephone equipment and electronic telecommunications equipment from 12.5 to 9 percent. 3) Rates have either been properly reduced or formulated as low as possible for machinery, instruments, and meters, as well as their parts and elements, which cannot be produced at home or produced in sufficient quantities and satisfactory quality. For example, rates for motor vessels have been lowered from 20 to 9 percent, and precision scientific instruments used in land surveying meteorology, hydrology, geophysics, and other fields have been lowered from 15 to 12 and 9 percent. 4) In order to meet the needs of developing tourism and improving people's livelihood, import duty rates for food materials, seasoning, and foodstuff have all been properly lowered. For example, rates for fish fins, sea slugs, abalone, dried scallops, edible swallow nests, and other high-class seafood have been lowered from 150 to 60 percent; freshwater and sea fish from 80 to 30 percent; and other food materials and seasoning from 80 to 50 percent. 5) Import duty rates have also been reduced for tropical products imported in large quantities from the Third World in the interest of expanding trade with developing countries. For example, the rates on dates, bananas, coconuts, and other tropical fruits have been reduced from 80 to 30 percent. 6) Duty rates on some products in which our country has become basically self-sufficient in recent years have been raised to an appropriate extent so as to protect the development of domestic production. On export duty rates, no export duty has been levied on the vast majority of exported commodities in order to encourage exports. The only items which require export duties are coal, traditional Chinese medicine, and some other commodities. The rates of such duties main unchanged.

Question: What are the effects of the adjusment of duty rates on our domestic production and state financial revenue?

Answer: When adjusting duty rates, we carefully considered the relationships between current needs and long-term development, between the duty and price, and between duty rate adjustment and financial revenue. We not only paid attention to protecting production but also aimed at promoting production so as to push the development of our national economy. Moreover, lowering the level of duty rates is conducive to the promotion of international economic cooperation and the expansion of imports and exports. Therefore, it will further assist in developing domestic production, improving quality, and helping the market thrive. As for the state's financial revenue, from an overall viewpoint, it will gradually increase with the development of production and the expansion of import and export volumes.

Question: Will the series of preferential measures on tariffs adopted by the customs since the 3d Plenary Session of the 11th CPC Central Committee remain valid after the enforcement of the new "regulations on import and export duties?

Answer: Since the 3d Plenary Session of the 11th CPC Central Committee, the customs, in accordance with State Council regulations, has adopted and enforced a series of preferential measures on tariffs, that have played a positive role in implementing the open-door policy and in promoting national economic development. The new "regulations on import and export duties" affirm these preferential measures in legal form. Therefore, commodities imported or exported by special economic zones, joint ventures with Chinese and foreign investment, Chinese and foreign cooperative ventures, and independently operated foreign ventures will continue to enjoy preferential tax exemption or reduction in accordance with the relevant regulations. Equipment imported by existing enterprises for the purpose of undertaking technological transformation, scientific and educational articles imported by research institutions and colleges, and legitimate donations from Overseas Chinese and Hong Kong and Macao compatriots, as well as imported raw and supplementary materials for manufacturing export goods can also enjoy preferential tax exemption or reduction in accordance with the existing regulations.

Question: What are the provisions of the "regulations on import and export duties" concerning the rights and obligations of tariff payers?

Answer: Importers and exporters and their agents are tariff payers in connection with the imported or exported commodities. In accordance with the provisions of the "regulations on import and export duties," the tariff payers are obligated to pay duties in accordance with the law. At the same time, the "regulations on import and export duties" also contain provisions to fully protect the legitimate rights of the tariff payers. For example, if tariff payers have objections to the import duty rates or after-tax price estimates, they have the right to appeal within 14 days of the issuance of the customs duty payment notice, and if they still object to the decision of the local customs after the appeal, they may make another appeal within 7 days upon the receipt of the new decision. However, the tariff payer must pay the duty on schedule. They may not delay payment on the grounds of appeal.

Question: What are the requirements of customs personnel and tariff payers in enforcing the "regulations on import and export duties" and the "customs import and export tariff"?

Answer: The "regulations on import and export duties" and the "customs import and export tariff" sum up the experience of our customs work during the last more than 30 years since the founding of the country. They are the fundamental legislation on customs work and constitute an important guarantee to the further utilization of customs as an economic lever. The Customs Office is the department that concretely enforces the regulations and customs tariff. Customs personnel have a great responsibility, especially now when smuggling and tax evasion are still very serious. We ask all customs personnel to act in strict accordance with the law so that "duties are levied in accordance with schedules, duty exemptions or reductions are made in accordance with the law, duty refund and additional duty payment are seriously handled, and all payments are put in the state treasury." We ask them to wage a resolute struggle against smuggling and tax evasion. At the same time, we also hope that various localities, departments, and enterprise units will familiarize themselves with the regulations and pay duties in accordance with the law to ensure the effective enforcement of the "regulations on import and export duties" and the "customs import and export tariff."

GUANGMING RIBAO ARTICLE DISCUSSES PRODUCT ECONOMY

HK120717 Beijing GUANGMING RIBAO in Chinese 24 Feb 85 p 3

[Article by Yu Zuyao: "Name and Reality of 'Theory of Product Economy'"]

[Text] In his article "Breaking Through the Theory of the Product Economy," which was published in GUANGMING RIBAO on 6 January, Comrade Wang Zhuo suggested that our original economic pattern was "a planned economy characterized by the production of products" and that "the traditional idea we have broken through is the theory of the product economy, not the theory of the natural economy." I would like to present some different views on this end to discuss them with Comrade Wang Zhuo.

First, our original economic pattern was not "a planned economy characterized by the production of products" and the withering away of commodity production, but a pattern with the features of a natural economy.

This economic pattern rejects the social division of labor and calls for self-sufficiency. Our original economic structure has obstructed the development of the social division of labor. Consequently, various departments, localities, and industries could not bring into play their superior economic, technological, and natural conditions and they paid no attention to improving economic results on the basis of a social division of labor. The socialized economic system was divided into self-sufficient "and structurally complete units of different sizes." This closed system has led to the serious waste of manpower and financial and material resources.

This economic pattern is incompatible with exchange and circulation. Products are produced to be consumed by the producers and they are not exchanged. Under our original economic system, exchange was replaced by distribution, circulation was replaced by allocation, and we refused to recognize the important place and special role of exchange in socialized production or to acknowledge that the problem of turning products into commodities can exist under a socialist system. Thanks to all this, the products produced were not marketable, production was divorced from marketing, and supply and demand were imbalanced. Year after year we saw the same picture: The industrial enterprises bring good news, the commercial enterprises are worried, there is overstocking of goods, and the finance departments acquire little actual revenue.

This economic pattern does not require accounting, gives no place to consumption, and attaches no importance to efficiency. In macroeconomic management, our original system stressed the need to settle the so called "political accounts" but attached no importance to actual economic results. In microeconomic management, the enterprises "ate from the same big pot" of the state and the workers "ate from the same big pot" of the enterprises. Economic accounting existed in name but not in reality.

This economic pattern is incompatible with the socialization of production. Patriarchally issued administrative orders are the only means by which production, distribution, and consumption are regulated. The importance attached to administrative means by our original economic system has prevented the economic mechanisms inherent in a socialized commodity economy from performing the function of regulating the operation of the economy. In this way, we could not free ourselves from the vicious circle of "centralization -- rigidity -- decentralization -- chaos."



In addition, the supply of basic means of subsistence and important means of production fell short of demand and the setup of production was abnormal. These problems in economic construction have resisted solution for a long time. All this has stemmed from the serious distortion of prices caused by the rigid price system.

Thus, looked at from the angle of production and reproduction, our original economic pattern was one with many characteristics of the natural economy. The view that our original economic pattern was "a product economy which has gone beyond the stage of commodity economy," which was referred to by the writers of the Marxist classics as "a planned economic pattern characterized by the production of products," and which "does not give rise to the problem of restricting production and discouraging commodity production," is inconsistent with the facts.

Second, the thing traditionally referred to as the "theory of the product economy" is not the same thing as the theory of the planned economy advocated by the writers of the Marxist classics. It is merely a refurbished version of "the theory of the natural economy" under the new historical circumstances.

It is true that the cofounders of Marxism were of the opinion that after society has taken possession of all means of production, commodity production will wither away. However, they were also of the opinion that the withering away of commodity production is dependent on a certain socio-material base or a series of material conditions for survival, which are a natural result of the painful long-term development of history. Giving no consideration to objective circumstances, the advocates of the "theory of the product economy" artificially restrict and abolish commodity production in spite of the fact that the productive forces dictate the extensive development of commodity production.

The cofounders of Marxism were of the opinion that the means of production should be possessed and used according to the nature of the socialized production forces, and they had strictly distinguished the social division of labor from the division of labor in factories. However, the advocates of the "theory of the product economy" confuse the social division of labor given rise to by the socialized productive forces with the division of labor in factories, exclude exchange from the process of social reproduction, and replace circulation with a ration system and the distribution of material goods. They even say that the system of state monopoly for purchase and distribution, which is in force when there is a serious shortage of goods and materials and when there is no alternative, is an indicator of the "character of products" and "a product economy."

The cofounders of Marxism were of the opinion that the anarchical state of capitalist production will be replaced by the conscious, planned regulation of social production. However, they never suggested that a planned economy is simply a matter of mandatory plans, that there is the need to enforce a system which combines the government and the enterprises, or that the enterprises should be regarded as subsidiary bodies of governments at various levels. On the other hand, the advocates of the "theory of the product economy" are of the opinion that a planned economy should be dominated by mandatory plans and that the scope of mandatory plans will extend as production becomes more and more socialized and more and more things are owned by the public. In addition, they also suggest that the merging of government and the enterprises and state ownership are the essential, immutable characteristics of the system of ownership by the whole people in socialist societies.

Although the cofounders of Marxism were of the opinion that socialism does not provide for commodity production, they suggested that value decisions will continue to play a dominant role in regulating the distribution of social labor; that, as a token of value, socially necessary labor will continue to exist; and that the principle of the exchange of equal amounts of labor will continue to be a basic principle for regulating the relations between society and the individual.



On the other hand, even given the existence of commodity production, the "theory of the product economy" still negates the principle of exchange at equal value and the regulative role played by the law of value.

The cofounders of Marxism were of the opinion that saving time and the planned distribution of work hours are a rule of primary importance to be adhered to in collectivized production and that bookkeeping will play an even more significant role in new societies in the future than it does under the capitalist system. However, the "theory of the product economy" attaches no importance to economic results, stresses the "settling of political, but not economic accounts," advocates the so-called "consummate profits," and negates the significance and role of profits.

It can be seen that although the prediction by the cofounders of Marxism on the fate of commodity production cannot be considered scientific in view of protracted practice, their basic viewpoints must not be confused with the "theory of the product economy," which was once quite popular among economists.

Furthermore, if one suggests that our original economic pattern was "a product economy that has gone beyond the stage of the commodity economy," it follows logically that one also acknowledges that the modes of production and exchange can "go beyond" the levels of the development of productive forces and this implies that one negates the decisive role played by productive forces. Practice has proven that relations of production cannot go beyond the level of the development of productive forces. Attempts to "go beyond" the level of the development of productive forces will definitely lead to the distortion of relations of production. Are we supposed to adopt again the practice of "eating from the same big pot" after the tremendous development of productive forces in the future. The "theory of the product economy" must be discarded now and not be put into practice in the future.

#### HAO JIANXIU LAUDS CHILDREN'S DRAMA GROUP

OW111415 Beijing XINHUA Domestic Service in Chinese 1542 GMT 9 Mar 85

[Excerpts] Beijing, 9 Mar (XINHUA) -- A theatrical group of the Chinese children's art theater, which has made many performance tours for juveniles and children, was commended today by Hao Jianxiu, alternate member of the Secretariat of the CPC Central Committee, for its reformist and pioneering spirit.

Hao Jianxiu watched the group's performance today and, after the performance, met 14 members of the group including noted children's drama actors Tan Kun and Lian Dezhi. Hao Jianxiu expressed appreciation to them on behalf of parents of juveniles and children. She said: Your performance imparts a feeling of freshness. You have the children in mind in your performance. This is reflected in the guiding ideology, execution, and style of your performance and by the fact that you put the stage right in the middle of children. Your work embodies the revolutionary literary and art tradition. She urged the group to make more significant and brilliant performances for children and to contribute to their intellectual development.

Zhang Guoying, vice president of the All-China Women's Federation and first secretary of its Secretariat, and Secretaries Hu Dehua and Fan Chongyan also watched today's performance.

LIU FUZHI ADDRESSES COMMENDATION MEETING

OW122347 Beijing XINHUA Domestic Service in Chinese 1522 GMT 11 Mar 85

[By RENMIN RIBAO reporters Wu Hengquan, Mao Lei, and XINHUA reporter Li Shangzhi]

[Excerpts] Beijing, 11 Mar (XINHUA) -- A national meeting to designate and commend meritorious model individuals and units in public security work opened in Beijing this morning. Awarded were 550 models, who have performed meritorious deeds in the ruthless fight against serious criminal offenders. Of them, 234 model individuals who have made remarkable contributions, and 23 units which have rendered meritorious service were commended and conferred honorable titles.

In his opening speech, Liu Fuzhi, deputy secretary, as well as secretary general of the Central Commission of Political Science and Law, and minister of public security, noted: Every law enforcement officer should cherish the people all the more, strictly enforce the law, seek to master his work, be resourceful and courageous, seek truth from facts, and make fresh contributions to improving public security, safeguarding and promoting the reform of the economic structure, and protecting the four socialist modernizations.

In his opening address, on behalf of the Ministry of Public Security, Liu Fuzhi paid high tribute to representatives of the heroic models attending the meeting; to those comrades on the public security front who have collapsed, sustained injuries, or been handicapped from constant overwork; as well as to the nation's law enforcement officers, the People's Armed Police Force, and security cadres and activists. He said: Your outstanding achievements reflect the improved political and professional quality of the public security contingent, and show that our people's police is an excellent force.

Liu Fuzhi stated: Public security work should serve the overall goal of the party and state. All our work should serve and be subordinate to the overall interests of economic structural reform and the four modernizations. It is necessary to wholeheartedly serve the motherland and the people. In order to thoroughly improve public security, safeguard and promote reform, as well as facilitate and ensure success in the implementation of the policies of invigorating the domestic economy, and opening to the outside world, it is necessary to keep dealing severe blows to criminal offenders, and take comprehensive measures in the future. To fulfill this task, efforts should be made to further revolutionize, modernize, regularize, and militarize the public security contingent, as well as improve its political and professional quality, and fighting capacity.

Li Fuzhi emphatically said: Cherishing and wholeheartedly serving the people is the goal of our public security contingent. It distinguishes our people's law enforcement officers from policemen in capitalist countries. He urged law enforcement officers to make fresh contributions to the party, the motherland, and the people in the spirit of "a willing servant."

The reading of the Public Security Ministry's decision to designate and commend meritorious model individuals and units at the meeting was greeted with warm applause. Representatives of the 23 units and 24 models designated for commendation ascended the rostrum to the accompaniment of surging music, and received banners and citations.

At the meeting, Hu Zhiguang, vice minister of public security, made a report entitled "Encourage Healthy Tendencies, Lift the Spirit, and Make Fresh Contributions To Creating a New Situation in Public Security Work."

Responsible persons from the departments concerned under the central authorities, and from the Central Commission of Political Science and Law, attended the meeting, and extended hearty congratulations to those receiving awards.

DENG LIQUN EXTOLS MAO INSCRIPTION ON LEI FENG

HK100300 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 5 March during its regular 1100 GMT evening news program carries two film clips concerning the 22d anniversary of the publication of Chairman Mao Zedong's inscription "Learn from Comrade Lei Feng." The first clip is devoted to the Lei Feng Memorial Hall in Hunan, and the second reports CPC Central Committee Secretariat member Deng Liqun's comments extolling the spirit of Lei Feng.

The first film clip, 1.5-minutes in length, concerns the Lei Feng Memorial Hall in Hunan's Wangcheng County. It shows the exterior and interior of the memorial hall; soldiers and youths visiting it; and a photograph of Lei Feng holding and reading a copy of "The Selected Works of Mao Zedong," which is hanging on the wall of an exhibition room in the memorial hall. Also shown in the exhibition room are the inscriptions written by the late Chinese leaders Mao Zedong, Zhou Enlai, Zhu De, and Liu Shaoqi.

The announcer states: "According to a report filed by Hunan television station reporter (Wen Liping), 5 March this year is the commemoration day of the 22d anniversary of the publication of Comrade Mao Zedong's inscription 'Learn from Comrade Lei Feng.' In order to carry out extensive and profound activities of learning from Comrade Lei Feng, the Lei Feng Memorial Hall has renewed [gengxin] its propaganda content, improved its form of propaganda, and expanded its propaganda scope. From 5 March last year to 5 March this year the memorial hall has received more than 160,000 people visiting it for study purposes. This number of visitors is equivalent to the total number of people visiting the memorial hall the previous 2 years. The memorial hall is located in Wangcheng County, Hunan Province, which was Comrade Lei Feng's native place. On the basis of the originally existing propaganda pictures in the memorial hall, the hall has renewed [gengxin] and replenished [buchong] more than 50 wall pictures featuring Lei Feng's deeds achieved during his lifetime. The memorial hall has also organized propaganda teams and sent them to rural areas, factories, and schools to carry out propaganda work. From October to December last year the propaganda teams gave lectures and made reports to a total of 43,300 listeners on 36 occasions outside the memorial hall, thus promoting the development of learn-from-Lei Feng activities and the civility and courtesy campaign."

The second film clip, 2 minutes in length, shows 10 young pacesetters sitting in a conference room in Beijing's Zhongnanhai and discussing their experiences in using polite language at the forum "sponsored by the CYL Central Committee and the Beijing Municipal CYL Committee." It then shows Deng Liqun addressing the forum held in the conference room. While Deng is shown sitting in the room and addressing the forum, the announcer states:

"Deng Liqun, member of the CPC Central Committee Secretariat and vice chairman of the Central Committee for Promoting Five Stresses, Four Beauties and Three Ardent Loves, said in his speech: 22 years ago today Comrade Mao Zedong and other proletarian revolutionaries of the older generation wrote inscriptions on learning from Comrade Lei Feng."



"Today I am glad to see from all of you that Lei Feng's spirit is still impelling the new generation to exert themselves to make progress. He said: The CYL Central Committee recently called on young people throughout the country to take the lead in popularizing the five polite phrases for everyday use. This is down-to-earth business. The polite phrase for everyday use are linked with the promotion of socialist ethics and with the establishment of a new type [xinxing] of people-to-people social relations [shehui guanxi]. In addition to popularizing polite phrases for everyday use among our young people, we must also gradually popularize such phrases in our society, create an environment for keeping a civil tongue, and cultivate the civilized habit of treating other people with due love and respect. He expressed the hope that in building our spiritual civilization, all units and departments will put this on their agenda. He added: In popularizing polite terms with distinguishing professional features, all trade and professions should regard this kind of popularization as a component part of the creation of good services. He also expressed the hope that all of them will make persistent efforts and continue to be good models."

#### BANKS TO INCREASE LOANS FOR PLANT RENOVATIONS

HK100200 Beijing, CHINA DAILY in English 10 Mar 85 p 2

[By staff reporter Xu Yuangchao]

[Text] The nation's largest commercial bank plans to increase bank savings to boost loans for the renovation of outdated businesses.

Branch managers of the Industrial and Commercial Bank of China, who gathered in Beijing for an annual work conference, said that conditions for achieving the increase are favorable.

Incomes of urban residents are likely to increase this year and expanded production will bring more profits to businesses throughout the country.

CHINA DAILY learned from the conference that the bank plans to float loans for introduction of advanced technology and modernization of industries. Lending priority will be given to 550 on-going projects in the machine-building and electronics industries.

These include technical overhaul in the areas of textiles, food processing, motor vehicles manufacture and household appliance production.

The bank has earmarked 400 million yuan in annual loans to assist scientific and technical research engaged in the development of new technology and brandname products. The allocation will start this year.

Last year, the bank's savings grew by about 46 billion yuan, to 171 billion yuan.

Savings deposits in urban areas increased by about 17 billion yuan last year. Savings by businesses increased by 25 billion yuan, a 38 percent increase over 1983.

Bank officials say they will scrutinize loan application. Industries, both collectively and state-owned, must show proof of a minimum amount of circulating capital in order to qualify for loans.

The conference urged branch managers to adhere to lending policies and terms adopted by the state.



The conference emphasized that loan officers should conduct feasibility studies on the proposals businesses seek to finance by borrowing. The bank should discourage lending for proposals involving unmarketable, poor quality or unreasonably high cost products.

Officials said that the bank's leasing department has allocated funds to finance replacement of obsolete motor vehicles and ships in the transportation industry. The bank also assigns high priority to introduction of micro-computers into industry.

The bank's Tianjin branch, for example, leased micro-computers valued at one million yuan to 23 businesses in six months.

Officials said they are vigilant in maintaining the integrity of bank operations.

Yin Zhihai, the bank's deputy president, said a branch in Shijiazhuang City, Hebei Province, was exposed for making illegal profits of 28,600 yuan by siphoning funds from borrowers' accounts to set up a separate business.

Yin said: "They were seeking private gains at public expense for their staff. This is not condoned. Our staff is not permitted to operate sideline businesses, according to a recent circular by the State Council."

#### LAND LAW PROPOSED TO PROTECT ARABLE LAND

OW122016 Beijing XINHUA in English 1443 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- China is preparing a land law to protect endangered arable land resources, which are diminishing at an annual rate of 0.5 to 1 percent. Officials attending the first national conference on land management, which closed here today, said it would be the country's first comprehensive land law.

Based on China's constitution, the law will spell out regulations on ownership and right of usage of land, its survey and protection, its planning and utilization, and the function of institutions that manage it.

The Ministry of Agriculture, Animal Husbandry and Fisheries has drafted the law and forwarded it to the State Council. This draft will be submitted to the National People's Congress, China's legislative body, for approval. Ministry officials said Chinese leaders were eager to see an early implementation of the land law, because the protection of land resources was in the nation's interest.

Arable land throughout the country was being recklessly taken away for other uses, despite various protection measures being taken by the government, they added.

The conference heard that as the tempo of China's economic development quickened, a growing number of urban and rural enterprises were appearing, and more peasants were building bigger houses. This led to a reduction in arable land, some through illegal means. Over 20 years, the amount of arable land in Hunan Province, central China, had shrunk by about 27,000 hectares a year, while its population had increased by 750,000 a year. And last year, the province had lost 65,000 hectares.

Addressing the conference, Minister He Kang of Agriculture, Animal Husbandry and Fisheries said that as a mainly agricultural country with arable land as little as 0.1 hectares per capita, China must protect its limited resources and retain sufficient land to feed its growing population. He said: "To cherish and use rationally every inch of land is a long-term national policy." The land necessary for economic construction must be assured, but arable land must be put under strict control. He called for more provisional land decrees and regulations to be issued before the land law was officially promulgated, to tackle the growing problem.

According to ministry statistics, 24 provinces, municipalities and autonomous regions have drawn up local provisional laws and decrees.

#### WANG JIUAN SAYS COMMODITY INSPECTION INTENSIFIED

OW121218 Beijing XINHUA in English 1210 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Chinese commodities inspectors seized 11,165 batches of imported goods in 1984 for failing to conform to quality, quantity or technical norms required in their contracts. Wang Jiuan, director general of the State Administration of Import and Export Commodities Inspection, told XINHUA this during a national conference on commodities inspection being held here.

The figure accounts for 14.7 percent of all goods inspected by the administration last year. Wang said that claims were lodged against the foreign firms concerned for compensation.

The Shanghai branch of the administration alone claimed for more than 10 million U.S. dollars in terms of value last year, while it asked for replacements for substandard goods. Of export commodities last year, Wang said, 9,512 batches were found to be deficient, accounting for 1.6 percent of the total inspected. The director general said China would conduct strict inspection of dangerous goods from July 1 this year.

China promulgated its present rules on import and export commodities in January 1984. Following the general rules came specific regulations on sanitation provisions and on inspection of containers. Wang said the leading topic at the national conference, attended by leading members of 33 provincial and municipal administrations, was structural reform. Efforts would also be made to simplify procedures, he stressed.

#### PLA HOLDS TELEPHONE CONFERENCE ON RECTIFICATION

OW120259 Beijing XINHUA Domestic Service in Chinese 1315 GMT 10 Mar 85

[Text] Beijing, 10 Mar (XINHUA) -- Speaking at a telephone conference of directors of the offices for guiding party rectification from all major PLA units today, Zhou Keyu, assistant to the director of the PLA General Political Department and director of the All-Army Office for Guiding Party Rectification, said: To make Army cadres younger in average age, overcome the problem of overstaffing, and be subordinated to the overall situation of the national economic construction, the three tasks proposed by Comrade Deng Xiaoping at a Central Military Commission forum epitomize the specific requirements for the Army in implementing the guidelines of the 3d Plenary Session of the 12th CPC Central Committee.

The PLA units engaged in the second-stage party rectification must concentrate efforts on solving major problems in the work in close combination with these requirements.

He pointed out: Through carrying out party rectification, it is necessary to ensure that the PLA actively supports and takes part in the economic structural reform, that the streamlining and reorganization of troops and the structural reform proceed smoothly in PLA units, and that PLA units are ideologically stable and can fulfill all tasks.

Zhou Keyu transmitted the guidelines of the speeches by leading comrades of the CPC Central Committee and the Central Military Commission concerning the work of second-stage party rectification. He also proposed a three-point opinion for the current party rectification work in the Army: 1) It is necessary to promote and ensure the implementation of the guidelines of the forum of the Military Commission during the second-stage party rectification. 2) It is necessary to resolutely check new unhealthy tendencies. 3) It is necessary to strengthen the leadership over the party rectification.

Zhou Keyu said: The central authorities have time and again instructed that party rectification be focused on the party's general task and general objective, which are not hollow requirements but reflect a specific task for the work of all units and departments in various stages. It is the task of the whole party to implement the Central Committee's decision on reform of the economic structure and promote the building of the four modernizations. The PLA must be subordinated to this overall situation. In view of some problems reflected in the current party rectification in the Army, he pointed out that both the party rectification and the reform are for the sake of promoting the modernization drive and that they are two interrelated major issues and should never be regarded as two totally different matters.

Zhou Keyu said: To check new unhealthy tendencies is an important task for the whole Army as well as a key problem to be solved in the second-stage party rectification. If we fail to check new unhealthy tendencies, we cannot successfully carry out party rectification. The most important work in checking new unhealthy tendencies is to conduct education on the party's objective among party members in order to enhance their party character. It is necessary to earnestly examine new unhealthy tendencies, resolutely rectify any violation of the regulations, and duly punish serious violations of law and discipline. In correcting unhealthy practices, we should not view the case as it appears to be but should view it in the light of party character, style, and discipline. It is necessary to strictly enforce orders and prohibitions. With a high degree of centralism and strict discipline in the Army, all PLA commanders and fighters should set a model example in strictly enforcing orders and prohibitions.

#### OPENING 'TRIANGLE' AREAS TO OUTSIDE WORLD EYED

HK120732 Beijing BAN YUE TAN in Chinese No 4, 25 Feb 85 pp 5-7

[Article by Chen Tanqiang: "The Glittering 'Deltas' -- a Talk on Opening Coastal Economic Areas to Outside Investment"]

[Text] At a forum convened by the State Council from 25-31 January on opening the Chang Jiang Delta, the Zhu Jiang Delta and the triangle region formed by the three cities of Xiamen, Zhangzhou, and Quanzhou in southern Fujian Province to outside investment, a proposal was put forward that these "triangles" be developed into coastal open economic areas step by step and in a planned way and that efforts should proceed from one point to a whole area and from "small triangles" to "large triangles."



Through reforms and by opening them to outside investment, the three "triangles" will be built into advanced and rich areas in the country, which will be open to the interior as well as to the outside with the development of both industry and agriculture.

This is a determined decision concerning the strategic plans for our economic construction, and it is yet another new step taken on the basis of achieving positive results and gaining valuable experiences in the areas opened to the outside world in recent years.

In having our country's door opened wide to the outside world, we should proceed step by step by pursuing different policies according to specific conditions.

We established the four special economic zones of Shenzhen, Zhuhai, Shantou and Xiamen in Guangdong and Fujian Provinces by adopting specific policies and flexible measures. This was the first step. The principles of special policies and flexible measures applied to the four special economic zones are: "Special things should be handled in a special way, new things should be handled in a new way and methods are entirely new but our position should in no way change."

The second step was to open to outside investment the 14 coastal cities of Dalian, Qinhuangdao, Tianjin, Yantai, Qiongdao, Lianyungang, Nantong, Shanghai, Ningbo, Wenzhou, Fuzhou, Guangzhou, Zhanjiang and Beihai as well as Hainan Island. These areas are destined to enjoy much the same rights as the special economic zones.

Yet another new step is to build the three "triangles" -- the Chang Jiang Delta, the Zhu Jiang Delta and the triangle formed by the three cities of Xiamen, Zhangzhou and Quanzhou in southern Fujian -- into economic open areas along the coast of our country. The preferential policies for the 14 coastal open cities will also apply to the three "triangles."

The four special economic zones, the 14 coastal open cities and the three "triangles," which enjoy a better geographical location and superior climate than other parts of the country, have fairly strong economic foundations and management ability plus a high level of science, technology and culture. As cradle of our national industry and commerce, they are renowned for their developed commercial economy and their longstanding ties and extensive connections with the outside world. By giving full play to these advantages, we will certainly be able to speed up the modernization drive in the vast coastal economic areas by opening their doors to the outside world ahead of others and adopting more flexible policies.

Like the special economic zones and the 14 coastal cities, the three "triangles" should go with the tide of the world and face the world market. They will be built as a bridge for our foreign economic relations, a hub of absorbing modern technology, and a base for promoting foreign trade. They will not only process semifinished materials in depth for the interior so as to substantially increase the value of export goods and search for bounteous sources of foreign exchange, but they will also absorb modern technology for technological transformation of the existing enterprises so as to produce more new products for the vast hinterland to meet the needs of the people's life. Meanwhile, these economic areas will also work as a filter to digest world modern science and technology and advanced managerial methods needed for social large production so as to discard the dross and select the essential, and to strive to blaze new trails in an effort to "make green come from blue yet excel blue." In this way they will spread and transplant world advanced science and technology to the interior so as to promote relations and cooperation between the coastal areas and the interior.

The ongoing economic reform, with the focus on the urban economy, will be possibly carried out at a quicker pace in the special economic zones, the coastal cities and the open regions. Then the experiences gained from these areas will be gradually spread to the vast hinterland.

Only by so doing will we be able to integrate the open-door policy with the ongoing reform and link the development of the coastal areas with the exploitation of the interior. This will enable us to accelerate the modernization drive in all fields in the interior and to promote economic prosperity in different areas in an orderly way. This is the only way for us to properly handle the relations between the coastal areas and the interior in our economic construction. Only by so doing will it be possible for us to build a dynamic socialism with Chinese characteristics and finally bring about a prosperous economy to the country and a happy life to the people

In the article "On the 10 Major Relationships" published in the 1950's, Comrade Mao Zedong expounded the correct handling of relations between the coastal areas and the interior, and tried to solve it. However, for various historical reasons, this historical task of solving this problem theoretically and in practice now has been placed on our shoulders in the new historical period.

Let us earnestly advance toward the general goal of "quadruplication" set by the 12th National CPC Congress. We should be subject to and of service to the strategic development of our economic construction so as to build the coastal open areas into civilized and rich areas ahead of others in light of the open-door policy and the ongoing reform.

The three "triangles" will certainly become glittering and flourishing.

#### RENMIN RIBAO ON MARX' REALM OF FREEDOM

HK071239 Beijing RENMIN RIBAO in Chinese 1 Mar 85 p 5

[Article by Tong Dalin: "The Realm of Freedom Based on the Realm of Necessity"]

[Text] In chapter 48 of volume III of Marx's "Das Kapital," there are expositions on the realm of necessity and the realm of freedom. I would like to quote as follows:

"In fact, the realm of freedom actually begins only where labor which is determined by necessity and mundane considerations ceases; thus in the very nature of things it lies beyond the sphere of actual material production. Just as the savage must wrestle with nature to satisfy his needs and to maintain and reproduce life, so must civilized man, and he must do so in all social formations and under all possible production modes. With his development, this realm of physical necessity expands as a result of his needs; but at the same time, the productive forces which satisfy these needs also increase. Freedom in this field can only consist in socialized man and the associated producers rationally regulating their interchange with nature and bringing it under their common control, instead of being ruled by it as by the blind forces of nature; and achieving this with the least expenditure of energy and under conditions most favorable to and worthy of their human nature. But it nevertheless still remains a realm of necessity. Beyond it begins the development of human ability which is an end in itself, the true realm of freedom, which, however, can blossom forth only with this realm of necessity as its basis. The shortening of the workday is the basic prerequisite."

These brilliant expositions by Marx have given us much enlightenment.

1. As Marx said, the sphere of material production is a realm of necessity and the sphere of the development of human ability which is an end in itself is the true realm of freedom.

2. The sphere of material production, that is, the realm of necessity, expands with the development of man -- because his needs expand and the productive forces which satisfy these needs also increase. We say that the fundamental task of socialist society is to develop the productive forces. But how should we develop the productive forces? Marx told us: With the expansion of man's needs following his development, the productive forces constantly increase. In return, the development of the productive forces will promote the development of man and satisfy his needs. In other words, developing the productive forces is inseparable from satisfying man's needs; they are complementary to each other. At present, the aim of our socialist economic construction is to satisfy the basic needs of the 1 billion people, to eliminate poverty, and to make the people "comparatively well-off" by the end of this century -- with a per capita national income of \$800. Therefore, it is necessary to energetically develop the productive forces so as to realize this target. Our strategy for economic development should be established on this basis.

3. Is there freedom in the sphere of material production, that is, in the realm of necessity? Marx's answer to this question refers to the fact that only socialist society can realize freedom, as only in socialist society can socialized man and the associated producers carry out production under conditions most favorable to their human nature (with the least expenditure of energy); also, only in socialist society can the associated producers rationally regulate and control their economic activities, avoid being controlled by economic operations as by the blind forces of nature, and prevent the occurrence of economic crises, which periodically take place in capitalist society. Therefore we can say that the so-called free economy in capitalist society is not really free. It is intrinsically related to periodic economic crises. The concept of freedom in the socialist economic sphere consists of the contents as explained above by Marx -- the associated producers consciously regulate and control their economic activities by means of objective laws and carry out production under conditions most favorable to their human nature with the least expenditure of energy.

4. The realm of freedom aimed at developing human ability will blossom forth only with the realm of necessity, that is, the sphere of material production, as its powerful basis. This is a brilliant viewpoint of historical materialism.

5. To develop human ability, it is necessary to rely on the study of science (including social sciences and natural science), to carry out cultural and artistic activities, and to receive various types of education and training. This will be impossible without shortening the work time for material production. Marx said: "The shortening of the workday is the basic prerequisite." Contrarily speaking, when human ability -- which includes intelligence and creative power -- increases, the best economic results in material production will be achieved with the least expenditure of energy. When labor productivity increases, the workday will become shorter; and when the workday is shorter, the realm of freedom will expand.

6. The realm of freedom means that human ability was greatly developed and that man can consciously use objective laws to organize, regulate, and control the entire scope of economic activities, to enrich and beautify social and personal life, and to coordinate the development of the economy, society, and science. To develop his ability, man must constantly study and raise his scientific and cultural levels in practice (manual and mental labor). Engels said: "Each bit of cultural progress means a step toward freedom."



7. Knowledge is power. Human ability is power which studies and uses knowledge. It would be difficult and even impossible to build China into a modernized powerful socialist country without possessing the knowledge of natural science and social sciences.

8. For this reason, we should build up a large contingent of knowledge laborers, which should include: 1) specialists and learned persons in scientific, economic, literary, art, and educational circles; 2) party, government, and Army cadres at various levels who are better educated and more professionally competent; and 3) workers, peasants, and soldiers who are better educated and more professionally competent. These mental laborers, laborers who engage mainly in mental labor, and laborers who combine mental and manual labor can be taken as a whole and referred to as knowledge laborers. We won great victories during the revolutionary war years because we had a powerful People's Army. In the great cause of the four modernizations drive, not only should we have a powerful People's Army, we should also have a large contingent of knowledge laborers which possesses a high level of modernized science and culture and can train various types of talented persons. To have more freedom in the realm of necessity, that is, in the sphere of material production, it is necessary to rely on this contingent of knowledge laborers. The realm of freedom will thrive when knowledge laborers display their wisdom and talents.

9. The strategic slogan of "respecting knowledge and talented persons" has important bearings on the present socialist cause. In addition, viewed from the concept of the realm of necessity and the realm of freedom Marx expounded on in the above quotation, the slogan also has far-reaching theoretical significance. Communists who are loyal to Marxism should strive for more freedom in the realm of necessity.

10. In the past we approached the problem of the realm of necessity and the realm of freedom merely from the theory of knowledge. Marx' brilliant viewpoint on the realm of necessity and the realm of freedom we have quoted here is an economic theory expounded in the theory of surplus value in volume III of "Das Kapital." Therefore, this is a new problem which needs further exploration.

#### ARTICLE ENCOURAGES FREEDOM OF THOUGHT IN WRITING

HK120825 Beijing RENMIN RIBAO in Chinese 4 Mar 85 p 7

[Article by Feng Jicai: "Let There Be Freedom of Thought First"]

[Text] At the fourth congress of members of the Chinese Writers Association, freedom of writing was called for with great emphasis. Then are there still obstructions on the road to literary freedom?

Somehow, the very mention of this calls to mind the time during the "Cultural Revolution" when I hid at home putting down on scraps of paper what I heard and saw. I was not a writer then. Nor did I cherish literary ambitions. This was because there was no freedom of writing then. Writing was only an invitation to criminal charges. In the streets, I saw posters screaming "Down with writers." I am speaking the truth when I say this. The consequences would have been disastrous for me, if things should one day "turn against me." What gives me the courage to take such a risk is perhaps a sense of responsibility.

I think that if I do not factually put down on paper all that was once heard and seen and all thoughts and anxieties that once tormented the mind, how could our descendants know the life, thoughts and psychology of this generation of ours? Who could understand us? If I do not draw on story material for which millions of people paid with their sufferings, who will? It may be remembered that at that time I dashed off four poetic lines:

Nothing has ever been like today from time immemorial.

A steady stream of righteous rain brings with it the chill of the sword.

Men of intelligence and of principle die in droves.

Only hardhearted people watch on the sidelines with cold detachment.

I put these down as I pleased. There was no need for publication. Nor was there any need to argue with the editor about whether a line is correct or not and still less the need to worry about swimming with the stream. I was totally free. I spelled out what I wanted to put down -- tearfully, smilingly, nervously, or dreamily. All came from the bottom of my heart to appear on one of those sheets of paper marked with small squares for copying manuscripts. The story on paper was a story straight from my mind. All that came from my mind was part of life actually lived. Any imagination was dictated by inclination and not by any non-literary need. Emotion had no artificially imposed ingredients. At a time when everything in life was packed with imposed elements, only what I wrote was free from any imposition. In life there was no freedom to speak of. It was a tragedy that there was no reader for this kind of writing. But only in the process of writing secretly this way could I taste freedom of the mind....

Now, with the publication of my works, on the contrary, I feel less free and less in my element. All straight talk or the truth must inevitably be repeatedly worked over and trimmed, hewn, and polished to fit. Every time a magazine asks me for a "frontpage" story, I know what kind of story they expect. This does not matter. Things chiefly depend on me. Consciously or unconsciously I have been swayed by what is in demand -- in arranging what I should write first and what I should temporarily put aside. In writing, I often ponder ways of steering clear of hazards or trouble.... Sometimes, I have to let a story end with something glorious and strive to make it appear natural. This is a tragic drain on thinking. For that matter, at times I even congratulate myself on having done an ingenious job and acting smartly. The facts of life, the truths of literature, and the pursuit of art -- things like these have unconsciously undergone qualitative changes. Thought is confined to certain fixed patterns. Am I still free in my mind?

A profound lesson in the contemporary history of literature is that in the past several decades, there have been several God-sent opportunities for literature. A historical change in social life has enabled writers to produce more and better work and magnum opera and even epics on the strength of their unique impressions, through processes, and experiences. But within prescribed limits, not only has nothing remarkable been brought about but material for valuable works has been wasted. This amounts to the biggest literary waste! From the 25,000-li Long March to the 8-year period of resistance against Japanese aggression and again to the 10-year period of the "Cultural Revolution," were we short on life lived or on artistic skills? Why should we have failed to come up with works matching a great era? Why is it that since the downfall of the "gang of four," very few of those literary breakthroughs have come from those seasoned writers with their full share of the sufferings of the 10-year turmoil, and instead most have come from new writers? Why is it that those who are capable of doing this writing have instead failed to do so? Is this not exactly because of something obstructing the freedom of thought?

For a long period of time, certain absurd concepts of writing which violate the laws of art have bound us with their trammels. All our wisdom has been taken up with this. A foolproof apparatus for writing has nearly been formed. Every process is standardized and so is every product. We have become used to setting this apparatus to work at the very thought of literature. It seems that every process from life to art and from thought to expression is arbitrarily fixed. Life must be thought out, figures must be arbitrarily created, actual feelings must be tampered with, and art must follow a fixed pattern. We have only stories from an apparatus and no stories from the mind. Even the mind has almost become part of this apparatus. Therefore, all that we know is literature of this kind. Anything new is greeted with the surprise reserved for an unidentified flying object.

Of course, we now no longer advocate or stipulate such an approach. But we may still unconsciously keep on doing things this way. This is because this concept of writing is part of "leftist" thinking that has existed for a long period of time. We have for many years breathed the "leftist" air and inevitably have "leftist" cells in our bodies. At the first hint of trouble, we are likely to lose our orientation and habitually "turn left." This "leftist" concept has not only tied our writing hands but, more terribly, restricted freedom of the mind. Given a certain climate, a "leftist" impulse may assert itself, giving rise to such a crime as a "leftist" outburst! Thus, even given freedom, we may not exercise it. Without the freedom of the mind, there is no work based on freedom. Where there is no work based on freedom, how can we obtain our cherished and wide-ranging and beautiful freedom?

It is more difficult to rid the mind of its obstructions than the obstacles from the outside. This often takes still greater courage. But this is what we must do. It is a special mission vested in this generation of our writers by an advancing era and by life and literature. To really obtain the freedom of writing, we must first have freedom of the mind!

#### EDITORIAL ADVOCATES IMPROVING WOMEN'S LIVES

HK121007 Beijing RENMIN RIBAO in Chinese 8 Mar 85 p 4

[Editorial: "Improve the Lives of Women During Reform of the Economic Structure -- Commemorating the 75th Anniversary of the '8 March' International Working Women's Day"]

[Text] While joyfully celebrating the 75th anniversary of the "8 March" International Working Women's Day, we extend our holiday greetings to women throughout China and the world!

In the course of reforming the economic structure and promoting the four modernizations program in China, the broad masses of women have smashed the fetters of outmoded and traditional customs and the "leftist" ideology and displayed their abilities to the full. A great number of able persons, women of action, and management personnel have come to the fore among our women. We admire their wisdom and ability and spirit of fighting unswervingly to achieve great things. Facts have shown that with the development of the entire political and economic situation in our country, the women's liberation movement in China has entered a new historical period.

The liberation of women and equality of men and women mainly depend on two conditions: first, the superiority of the social system, and second, the struggle of women themselves.



People have realized that it is precisely the clarion call to carry out the urban and rural economic structural reform and the four modernizations which has mobilized the broad masses of women to throw themselves into the cause of reinvigorating the motherland and getting rich through hard work. The new and developing undertakings have enabled women, who were formerly engaged in small production without attracting public attention, to grow rapidly, just like seedlings breaking through the soil in the genial spring breeze. Some of them have become able women who attract public attention. The 150 advanced women recently commended by the All-China Women's Federation are the most outstanding among our women. Their advanced deeds have told us that in the course of reinvigorating the Chinese nation, women also shoulder heavy responsibilities. Women are a vital and new force working for the realization of the four modernizations. The present new situation in the urban and rural economic structural reform has provided women with ample scope to exercise their abilities.

Reform itself means pounding at outmoded traditional customs. It has brought vitality and competition to society, so that the broad masses of women are facing a new challenge. All this has set new demands on the broad masses of women. Therefore, improving the quality of women has become an important task of the women's movement in the 1980's. Women should be determined to temper themselves in the mighty torrent of reform and construction. In 1947, when delivering a report at the military and political college and answering the question "What can a woman do," Comrade Cai Chang said: "Set to work, you can do everything; if you fail to do so, you will get nothing." To be set to work, one must have confidence. Madame Curie, a woman scientist who won the Nobel Prize twice, said: "We must have confidence, the power of self-confidence in particular. We should believe that we possess the natural gift of doing certain things. We must succeed in doing these things at whatever cost." Once we have confidence, we will have courage. The unswerving fighting spirit of our women's volleyball team comes from its resolute confidence of winning honor for the motherland, and from the courage of standing on its own feet in the family of the most powerful women's volleyball teams in the world.

Of course, under the present-day new situation in which women are facing a new challenge, daring to fight alone unswervingly is insufficient. They must increase their skills. Without skills, achieving great things is nothing but empty talk. Without skills, equality between the sexes cannot be ensured.

The Tianjin City women's federation made an "investigation of 1,000 cases" on how to give play to the role of women in reform and construction. While answering questions, many women said that their cultural knowledge was "congenitally insufficient," and that they were unable to meet the demands of the present economic reforms and the implementation of the open-door policy. They were eager to study cultural knowledge and science and technology so that they would enhance their capability for competing and fighting unswervingly. This has posed a new problem for various party organizations and government departments and for women's federations: They should take the exploitation of the intellectual resources of women and training of female talented personnel as a task of strategic importance. They should encourage women to systematically study cultural knowledge and science and technology, and adopt multi-channel, multilayered, and multiform methods for running schools for women, and create conditions for them to take part in the study drive. Women's federations should cooperate with educational departments to do the work of eliminating illiteracy for some middle-aged and young women in the rural areas, and do everything possible to prevent the appearance of illiterate persons among the new generation.

We advocate the self-respect, self-esteem, self-confidence, and self-reliance of women. Women should make more contributions to the country and to society, dare to defend the interests of the country and the people and their own legitimate interests, carry out in an exemplary way the policies of the party and the state, and observe law and discipline in the process of reform. They should dare to combat all unhealthy tendencies, and win the respect of society by their own practical actions. In the meantime, we should realize that discrimination against women in society has not yet been completely eliminated, and that they are tied down by household chores. Women encounter more difficulties than men in study, work, and life. To achieve great things, women need to exert more painstaking efforts and pay a greater price than men. Therefore, various party organizations and government departments should pay special attention to supporting and protecting female talented personnel. Those able women, women experts, and women managers who come to the fore in the course of reforms should take a clear-cut stand to support them and boost their courage, and create conditions and opportunities for them, so that they will be able to study, enhance their ability, and pursue advanced studies. Women's federations at all levels should become combat collectives which support and take good care of able women, women of action, women experts and women managers who are imbued with the spirit of development.

The eighties is a key period in which the Chinese nation will take the third leap of the century. The broad masses of women comrades should work together with male comrades to shoulder the great historical task of reinvigorating the Chinese nation and realizing the four modernizations.

SHANGHAI ISSUES CIRCULAR ON CURBING MALPRACTICES

OW091940 Shanghai City Service in Mandarin 0100 GMT 8 Mar 85

[Text] To put into practice the document recently issued by the CPC Central Committee's Discipline Inspection Commission on implementing orders and observing prohibitions, the Shanghai Municipal CPC Committee issued a circular a few days ago pointing out that this document entirely conforms to Shanghai's actual conditions. It urged party committees at all levels and party member-cadres to uphold party spirit and its related principles, give priority to the interests of the state and the people, take account of the overall situation, and adopt effective measures to resolutely stop the new unhealthy trends.

Based on the guidelines of the Central Discipline Commission's document on implementing orders and observing prohibitions, the municipal party committee set three requirements.

1. Party committees at all levels should organize all party members -- leading cadres in particular -- to study conscientiously in order to fully understand the essential guidelines of the Central Discipline Commission's document. They should see to it that orders are implemented and prohibitions are observed, and keep in line politically with the central authorities.
2. Party and government leaders at all levels should set good examples, take the lead in resolutely implementing the Central Discipline Commission's document, and be bold in handling related cases and exercising supervision without ambiguity. It is necessary to swiftly and decisively stop the new unhealthy trends such as: party and government organs as well as party and state cadres using their powers to run businesses and enterprises, play the market, and resell scarce goods at a big profit; violating policies by raising prices without authorization; giving away money or things under all sorts of pretexts; raising wages at will; wasting public funds on feasts and presents; engaging in fraudulent, deceptive, ostentatious, and formalistic activities; indiscriminately issuing lottery tickets and promoting sales by awarding prizes; making appointments to higher posts or promoting cadres on the spur of the moment; and excessive circulation of unhealthy tabloids, and so on. The municipal party committee has decided that leaders and advisors of the municipal party committee and the municipal governments will not accept any positions in economic entities. Those positions already accepted are void.
3. Efforts should be made to immediately investigate and straighten out the cases involving the unhealthy trend of not implementing orders and observing prohibitions, as well as other new malpractices. Party and government offices, enterprises, establishments, and party member-cadres who have brazenly violated the regulations of the CPC Central Committee and the State Council should be punished according to party and government discipline, depending on the seriousness of their offenses as determined through investigations. They could even be sanctioned according to law. If no specific regulations are available to serve as guidelines in handling new problems, instructions should be sought from higher organs. The various departments, commissions, and offices should gather the results of their investigations and submit them to the municipal party committee and its Discipline Inspection Commission before the end of March.

SHANGHAI'S FOREIGN-FUNDED FACTORY OPERATIONAL

OW080005 Beijing XINHUA in English 1231 GMT 7 Mar 85

[Text] Shanghai, March 7 (XINHUA) -- Shanghai's first foreign-funded factory went into operation today, according to municipal officials.



The plant was built by the Minnesota Mining and Manufacturing Company of the United States. It makes telecommunications products. Although its total investment amounted to only three million U.S. dollars, the factory is considered by both municipal authorities and the U.S. company to be an important test of business conditions in Shanghai, the official said.

Shanghai has signed agreements on nearly 100 joint ventures and cooperative projects, one of every seven of them involving U.S. firms. The deals brought investments of 1.4 billion U.S. dollars to the east China industrial city.

The telecommunications factory leases 1,200 square meters of workshop space and employs 25 Chinese workers. Its products, which include quality tape, resins and connectors, will be marketed in China. Its profits will be used to expand production or buy Chinese commodities for export.

Foreign firms are now offered a share of the Chinese market for their products as one of the preferential terms designed to attract new business to 14 coastal cities opened last year to foreign trade and investment.

#### SHANGHAI REFORMS SUPPLY, MARKETING SYSTEM

OW091437 Shanghai City Service in Mandarin 0100 GMT 8 Mar 85

[Text] The system of supply and marketing cooperatives in Shanghai will undergo major reform, reverting again to the system of collective, from that of public, ownership. The municipal people's government approved a report about this a few days ago.

After the municipal supply and marketing cooperative reverts to the system of collective from that of public ownership, the municipal company, and the basic-level enterprises and establishments under its jurisdiction, will implement the financial system and accounting for collective-run enterprises. In the case of state-run county companies and their subordinate wholesale and retail shops, as well as industrial enterprises -- all under temporary supervision of the county supply and marketing cooperatives -- the relationship of leadership will remain unchanged, and the financial system in use at supply and marketing cooperatives will be implemented.

At an opportune time this year, the Shanghai Municipal Federation of Supply and Marketing Cooperatives, which will have a council and a supervisory board, will be established. Once the federation is set up, it will cease to be a work department of the municipal people's government.

GUANGDONG PEOPLE'S BANK RECALLS BANK NOTES

HK120903 Haikou Hainan Island Service in Mandarin 0400 GMT 11 Mar 85

[Text] Yesterday, the Guangdong provincial branch of the People's Bank of China issued a notice on the withdrawal of the bank notes from circulation and on their prohibition within a stated time.

The notice says: The work of settling accounts by bank notes, which started on 4 February, has played a certain part in reducing the amount of cash used and in facilitating commodity transactions. In view of the fact that the method of settling accounts by bank notes has not been perfected, it is necessary to study further and make improvements. Therefore, it is decided that the bank notes should be withdrawn within a stated time. Beginning 15 March, all bank notes must cease circulation in the market. All units and individuals holding bank notes are requested to go to the business organs and credit cooperatives of all people's banks, industrial and commercial banks, agricultural banks, branches of the Bank of China, and construction banks in this province which do business with foreign countries to deposit money, repay loans, transfer money, remit money, or exchange for renminbi on 31 March at the latest. These matters will not be handled after the time limit.

ZHUHAI ZONE USES LOANS TO FURTHER CONSTRUCTION

HK081520 Guangzhou NANFANG RIBAO in Chinese 2 Mar 85 p 1

[Report by Tao Guangyuan: "A Good Move in Accelerating the Construction of the Zhuhai Special Economic Zone -- Liang Guangda, Mayor of Zhuhai City, Answers Questions on the Zone's Construction"]

[Text] On 2 February our newspaper published the article: "Zhuhai City Realized Eight Doublings Last Year." One of Zhuhai City's experiences in its fast economic development mentioned in the article is that Zhuhai City dares to invest, dares to get loans, and dares to carry out construction while in debt. Many of our readers think that the Zhuhai Municipal CPC Committee has great courage and foresight and that Zhuhai City's experience is a good move in accelerating the construction of the special economic zone. But there are a few readers who have cast doubt upon the experience. They ask: Why should Zhuhai City get loans to carry out its construction? What are the advantages? Our reporter has interviewed Liang Guangda, the mayor of Zhuhai City, who has provided very good answers to the questions.

On the question of why they dare to get loans to carry out construction, Liang Guangda said that according to the experiences of other areas, opening up one square kilometer of land will cost a total of one hundred million yuan. According to this calculation, opening up more than ten square kilometers of land in the Zhuhai Special Economic Zone will cost more than one billion yuan. But the 1983 revenue of Zhuhai City was only 60 million yuan. Excluding the more than 20 million yuan in administrative expenditures each year, Zhuhai can only spend around 30 million yuan or so to develop the land of the special economic zone. If we still stick to the past misinterpreted concepts of "self-reliance," "carrying out construction with the money you have," and "never borrowing money," then developing the special economic zone will require 25 years. He pointed out that if they do work in the old way, they will be unable to play the role of one of the "four windows" and they will possibly lag behind other areas of the country. Summing up all the experiences at home and abroad, they have realized that those areas which dare to make use the funds at home and abroad and dare to get loans can carry out construction more quickly and achieve better economic results. On the other hand, those areas which do not dare to do so will achieve the opposite results in their construction.

When talking about the advantages of getting loans to carry out construction, Liang Guangda pointed out that when local finances are not sufficient for the capital construction of the special economic zone, the localities should dare to get bank loans and borrow foreign funds and the funds of the International Trust and Investment Company to carry out construction requires an economic plan, so we should bring into full play the role of every dollar and should not waste money. If we work in this way, we will be able to improve the investment environment and attract more foreign investment. Last year, Zhuhai City borrowed more than 300 million yuan from the banks and the International Trust and Investment Company, which accounted for the majority of the capital construction investment. Only in the special economic zone last year was the capital construction investment 3.7 times that of the 4 previous years, and was the area of capital construction 38,000 square meters, amounting to the total area of capital construction in the 4 previous years.

Since adopting the new methods, we have created an excellent situation in the overall development of the special economic zone and greatly improved the investment environment. The good situation in the overall development of the special economic zone and the improvement in the investment environment have greatly attracted businessmen from Hong Kong, Macao, and foreign countries to come and invest in the special economic zone. Last year, the city's construction projects aided by foreign investment, the total amount of foreign funds, and the actual amount of investment increased by 100 percent or even several hundred percent over the previous year, while the total industrial and agricultural output value and the revenue doubled several times compared with the previous year.

On the question of whether they will be able to repay the loans in future, Liang Guangda says that as long as they dare to invest and are good at investment, there won't be any problem in paying the loans. He also points out that a good investment environment, a stronger ability to attract foreign investment, and the rapid development of production will surely greatly increase profits and revenue and will soon enable them to gain enough profits to pay the loans. The Wanzhai man-made fiber factory is an example: When the factory found that man-made fiber had a good world market, they immediately got a loan of 600,000 yuan from a foreign country to import equipment. The factory went into production in 2 month's time. After 4 months of production, the total production output reached two million yuan, with 200,000 yuan profits. As a result, the factory's average annual per-capita productivity reached 220,000 yuan and the average per-capita profits reached 22,000 yuan, hitting an all-time high. In this way, the factory will be able to repay the loan in a short period of time. According to the prediction of relevant departments, the Zhuhai Special Economic Zone will be able to pay the loans 4 years after the land is developed, and it will be able to repay all the basic construction funds of the special economic zone 10 years after the land is developed. The worry that Zhuhai might not have the ability to repay the loans is absolutely groundless.

XIZANG FORUM ON TRAINING CADRES UNDER AGE 45

HK130312 Lhasa Xizang Regional Service in Mandarin 0500 GMT 12 Mar 85

[Text] To implement the spirit of the instruction of the central authorities on training cadres under 45 years old, to analyze the structure of the ranks of cadres in this region, and to practically and realistically formulate a plan to meet the needs of Xizang's specific situation, beginning on the morning of 11 March the Organization Department of the regional CPC Committee held a 4-day forum in Lhasa on the work of training cadres throughout the region.

Our region has some 103,000 cadres under 45 years of age, who account for some 83 percent of the total number of the cadres throughout the region. This group of people will work until around the year 2000 and is the generation which forms a connecting link between the preceding and the following, carries forward the revolutionary cause, and forges ahead into the future on all fronts. Whether the work of training cadres under 45 is done well or badly has a bearing on the continuation, inheritance, and creative-ness of our country's socialist construction.

This forum held by the Organization Department of the regional CPC Committee will discuss and revise our region's supplementary regulations on training cadres under 45 and the 1985 plan for training cadres and other relevant draft documents and will push forward the development of the work of training cadres in our region.

At the forum on the morning of 11 March, Comrade (Cedain Puncog), deputy director of the regional Organization Department, made a report. Comrade Ba Sang, secretary of the regional CPC Committee, also spoke: Approximately 100 leaders and representatives of regional subordinate organs and departments of the Lhasa City party and government are attending the forum.

YUNNAN PROMOTES HU INSTRUCTIONS ON GETTING RICH

HK030241 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 2 Mar 85

[Text] In accordance with the instructions delivered by CPC Central Committee General Secretary Hu Yaobang during his inspection of work in Yunnan, the provincial CPC Committee and people's government decided on 1 March to launch a mass discussion throughout the province on getting rich through a 100 yuan increase.

The decision said: Comrade Hu Yaobang repeatedly stressed while inspecting work in Yunnan that our every train of thought is aimed at considering how to make the state and people rich as soon as possible. This is our starting point in considering every problem. Our organization, propaganda, taxation, planning, finance, militia, political and legal and other departments must all serve this central task. All ideas and methods that are deleterious to enriching the state and the people should be eliminated. In unifying our thinking, we should bring our thinking into line with this idea. The work of the CPC committees, the government, and all departments must be centered on promoting the economy, and help the people to get rich as soon as possible.

We must continue to attach importance to developing the rural economy and strive to ensure the maintenance of steady and relatively fast growth in the rural economy and peasant incomes. In developing the economy, we must rely on the masses and follow the mass line. We must seriously learn the experiences of Baoding Prefecture in Hebei Province, and organize large numbers of cadres to go down to the grass roots to visit the affluent and ask about their methods and visit the poor and help them to get rich. We must launch an extensive mass discussion on getting rich through a 100 yuan increase. We must launch the masses to get rich, make vigorous efforts to develop rural economy, and let a hundred flowers bloom in a riot of color.



The provincial CPC Committee and government held that these important instructions of Comrade Hu Yaobang are of extremely great practical and far-reaching historic significance for speeding up Yunnan's economic development and enabling the people of the province to get rich as soon as possible. Cadres at all levels should seriously study and profoundly appreciate these instructions, and regard doing everything possible to help the masses get rich as the starting point of all their work and the criterion for testing their work.

The decision demanded that the province and the prefectures, counties, districts, and townships, including the party and government departments, science and technology service departments, and economic departments, immediately mobilize and organize a large number of cadres, personally led by leading cadres at various levels, to go down to the villages and factories. In the rural areas, they should mobilize and organize the peasants to unfold an extensive discussion on getting rich through a 100 yuan increase. Through visiting the affluent and asking about their methods and visiting the poor and helping them get rich, they should help the peasant masses to take advantage of local superior features, open up more production opportunities, and strive for an average per-capita increase of 100 yuan in the province's industrial and agricultural output this year.

In the urban industrial and communications enterprises too, it is necessary to adopt the method of the mass line and mobilize and organize the staff and workers to launch a mass discussion on increasing per-capita output value by 100 yuan, achieving synchronous growth of output value, sales, and taxes and profits, and linking wages and bonuses to economic results.

The decision pointed out: To make a success of the mass discussion on getting rich through a 100 yuan increase, it is necessary to seriously solve the following problems: 1) the cadres must go down; 2) the policies must be opened up; 3) service must be done well; 4) meetings must give way to other matters.

The decision demanded in conclusion that the propaganda departments closely coordinate their efforts with this mass discussion, do a good job in propaganda and reportage, promptly sum up and exchange good experiences, and introduce good typical examples.

#### YUNNAN ARMED POLICE FORCE SETS TASKS FOR 1985

HK110907 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 9 Mar 85

[Text] The Yunnan Provincial Armed Police Force has recently set new tasks for this year. These tasks are that, with stress laid on being subordinate to and serving the four modernizations, the police force must, with practical actions, defend and support the four modernizations, make new contributions toward the exploitation of Yunnan -- a border area -- and toward making people of all nationalities get rich, create a new situation in the building of the Armed Police Force, and build an Armed Police Force with Chinese characteristics.

The provincial Armed Police Force CPC Committee held: The most basic thing in building an Armed Police Force with Chinese characteristics is to persist in absolute party leadership over PLA units, to seriously implement the principle of unified planning, management at different levels, and command at different levels, and to persist in regarding duties and powers as central for bringing along the completion of all tasks. In accordance with the characteristics of the PLA units, it is essential to do a good job in all items of training and all aspects of reform, to open up a new path, and to advance.

FIRM MEASURES ON UNHEALTHY TENDENCIES IN BEIJING

OW052028 Beijing XINHUA Domestic Service in Chinese 1243 GMT 5 Mar 85

[Text] Beijing, 5 Mar (XINHUA) -- At the work meeting of the Beijing Municipal Discipline Inspection Commission, which ended today, Jia Chunwang, deputy secretary of the Beijing Municipal CPC Committee and concurrently secretary of the Beijing Municipal Discipline Inspection Commission, pointed out: On the problem of correcting the new unhealthy tendencies, all party organizations and party member-cadres in Beijing must focus their attention on party spirit, responsibility, the overall situation, and public interests, and think and act in unison with the party Central Committee. The meeting stressed that measures taken to correct the unhealthy tendencies under the new situation must be firm and those doing whatever they can to go against the CPC Central Committee's instructions and those continuing to practice the unhealthy tendencies must be expelled from the party, dismissed from their positions, and subjected to punishment by the law of the state.

The meeting held: The prerequisite for halting the unhealthy tendencies is to sharpen the party member-cadres' understanding of the harmfulness of the unhealthy tendencies and the importance of correcting them. The meeting required the discipline inspection departments at all levels to go deep into the basic-level units, find out the true conditions through investigation at each and all levels, and correct the problems. The leading bodies of party committees at all levels must successfully hold meetings for examining daily life activities [sheng huo hui 3932 3172 2585] in order to unfold criticism and self-criticism and sum up experience to draw lessons. As for those persons who obstinately engage in new unhealthy tendencies, in particular, the leading cadres who maintain party membership, they must be sternly dealt with in accordance with party discipline and state laws regardless of how long they have been party members and how high their positions are. Furthermore, the responsibility of leaders concerned must be investigated and pinpointed. On no account should personal relationships be brought into play or should bureaucrats shield each other.

Meng Zhiyuan, deputy secretary of the Beijing Municipal Discipline Inspection Commission made a report in which he analyzed the unhealthy tendencies in Beijing as shown in six aspects and gave a briefing on the results of the preliminary investigations and handling. First, party and government organs did business and ran enterprises to make gains by abusing power. A total of 196 enterprises run by such organs had been or were being dealt with. Second, some incumbent and retired cadres of party and government organs also held jobs in enterprises to make extra income. Before the Spring Festival, by far the majority of the 350 cadres concurrently holding jobs had resigned from their concurrent jobs. Among them, 56 were leading cadres at and above the district, county, and bureau levels. Third, means of production and commodities in short supply were illegally bought and sold or sold at recklessly inflated prices, disturbing the market in detriment of consumers' interests. Last year departments concerned, through investigation, discovered and handled over 900 cases of reckless price hiking. Fines and confiscated money totalled 1.5 million yuan. From September through December last year 152 units illegally bought and sold color TV sets, 18 illegally bought and sold refrigerators, 21 illegally bought and sold automobiles, and 22 illegally bought and sold motorbikes. Prices of some items doubled and quadrupled after being illegally sold several times. Fourth, cash and materials were recklessly issued under various concocted pretexts. Last year state-run units throughout Beijing issued 419 million yuan of bonuses, 150 million yuan more than in 1983.

In the latter half of 1984 expenses incurred by issuing Western dresses and work uniforms were as high as 150 million yuan in Beijing. Fifth, public funds were used on dinner invitations and gift-giving or extravagant wining and dining under the pretext of stimulating the economy. Sixth, positions, grades, and wages were advanced at will. A deputy secretary of a commune party committee, on the pretext of reform, increased his own wages from 56 yuan to 150 yuan and, in addition, issued himself an 800 yuan bonus at the end of the year.

#### BEIJING REFORMS PRODUCTION PLANNING SYSTEM

OW120559 Beijing XINHUA Domestic Service in Chinese 0903 GMT 10 Mar 85

[Text] Beijing, 10 Mar (XINHUA) -- Beijing Municipality is conducting an overall reform in its planning system by drastically reducing the scope of mandatory planning and extending the scope of guidance planning and market regulation in order to meet the needs of further stimulating the economy.

Han Boping, vice mayor of Beijing, announced this reform in the report he made on behalf of the Beijing municipal government to the fourth session of the Eighth Beijing Municipal People's Congress held today. He said: From now on in agricultural production the scope of market regulations will be expanded under the guidance of the state plans and units will not assign mandatory plans to the peasants anymore. The government and economic units concerned will only provide the peasants with some annual, medium-range, and long-range guidance plans to guide them in production according to market demands.

In industrial production the number of products under mandatory planning is reduced to 26. The output value of products under mandatory planning was 55 percent of Beijing's total industrial output value in 1984. It will be reduced to 16 percent.

In commerce, the number of mandatory plans will be reduced to 33. The purchase of commodities under mandatory planning accounted for 59.8 percent of Beijing's total purchase of social commodities. This will be reduced to 13.5 percent.

In the distribution of funds and materials the form of one-way distribution and allocation by administrative units in the past will be changed. All investments in capital construction, within the state budget and funded by the city's appropriation, will be funded by bank loans. Regarding the materials, the distribution of which is organized by the city government in a unified way, their prices will be uniformly decided. The wholesale market of the means of production and trade centers will take care of the surplus-shortage adjustments and variety exchanges.

Over 200 targets for economic results were assigned and inspected by the Beijing municipal government in the past. From now on, except for a small number of comprehensive targets and the targets of energy- and water-consumption for some major enterprises and key products, no more targets will be set. All industries and enterprises will set and inspect their own targets so that enterprises can manage their affairs independently.



LI LIAN ON HEILONGJIANG IDEOLOGY, LEADERSHIP

SK050700 Harbin HEILONGJIANG RIBAO in Chinese 3 Feb 85 p 1

[Article by Li Lian, secretary of the Heilongjiang Provincial CPC Committee: "Suit the Needs of Reform, and Bring About a Change in the Way of Thinking, Ideas, and Leadership Methods"]

[Text] The current reform of the economic structure is a great change in social economic life which involves not only production, circulation, distribution, consumption, and other economic spheres but also many aspects of the superstructure. It bears on the future of the state and the vital interests of millions upon millions of workers, peasants, and intellectuals, and is a great and arduous creative project as well as very complicated and painstaking work. Our cadres at various levels, leading cadres in particular, should stand in the forefront of reform, successfully take the lead in it, change the managerial and leadership methods used in small-scale production, and change their way of thinking, ideas, and leadership methods on the basis of the characteristics of modern large-scale production and the needs of the current reform.

The Way of Thinking Should Be Changed From a Closed to an Open One

Over a long period of time, because of the "leftist" influence and closed-door policy, we lacked adequate information facilities, broad-minded thinking, and understanding of the new situation in the world, particularly the new achievements in science and technology. Since the implementation of the open-door policy, we have broadened our field of vision, and have gradually freed ourselves from the narrow and closed way of thinking. However, we should further change our way of thinking if we are to gear our thinking to the needs of reform and make it more vigorous and open. We should pay attention to both vertical and horizontal comparison in order to broaden our thinking still further. In the past, because we knew very little of the world, we saw only the achievements and progress we had made, and thus stressed vertical comparison. Such vertical comparison between the past and the present is very necessary because it inspires our spirit and enhances our confidence. If we only conduct such comparison, however, we could easily become blindly optimistic and complacent, and will not consider it pressing to change the status quo. Horizontal comparison will enable us to see where we are lacking and where we lag behind in comparison between our country and foreign countries, between our province and other provinces, and between our locality and other localities, and thus discover our actual position on the complete coordinate chart of time and space. In this way, we will not be complacent because of our achievements nor abase ourselves because of our deficiencies, but will change the pressure into momentum, and learn from the advanced experiences from abroad to catch up with utmost efforts.

We should pay attention to the deductive methods and, even more importantly, the inductive method, and combine them to make our thinking more creative. In the past, in understanding socialism, we had many fixed ideas in our minds that did not completely suit the actual conditions. In terms of the way of thinking, the reason for this was the fact that we paid attention to the deductive method, proceeding more from ready-made concepts, and lacking the ability to sum up new experiences in the course of practice and to summarize. We should adhere to the basic principles of Marxism. However, it was precisely because it avoided ruts and summed up scientific new conclusions in the study of a great number of practical problems that Marxism surpassed what its predecessors had achieved. Much of what has not been written in books or discussed by authors of Marxist classics is stated in the "CPC Central Committee's Decision On Reform of the Economic Structure." This sets an example for us to emancipate our minds and seek truth from facts. As new things will emerge in an endless stream in the course of reform, only when we combine the deductive method with the inductive method can we sum up the people's rich and colorful activities in practice, and enrich and develop Marxist theory.

We should not only bear the past in mind but also face up to the future and should inherit the past and usher in the future in order to make our thinking more consistent and far-sighted. Many of our comrades have had many years of rich experience in revolution and construction which can still be used for reference. However, past experiences cannot replace the understanding of today and the future. If experiences are considered absolutes, they will become a rope fettering our minds. Why do some of our comrades more willingly emancipate their minds when straightening things out to return order, and yet become rather conservative in getting rid of the old and creating the new? One of the reasons is that they have not broken through the 17 years of old rules and regulations, and always wanted to relate everything to what we think of as the "golden age," thus making no progress. Only when we develop and create the new on the basis of the past positive and negative experiences can we truly carry forward the revolutionary cause and forge ahead into the future. Reform intends not only to break away from the "leftist" methods but also to eliminate outdated, irrational things. Only when we transform our thinking with the new situations, new practices and new concepts of the 1980's, gear it to the needs of the future, bear in mind the strategic prospects of thinking through the development of things, and increase our foresight can we be firm, clear-headed and accomplished Marxists.

#### The Way of Thinking Should be Changed From Traditional to Modern

Ideas belong the category of ideology, and are decided by the existence of society. Many traditional ideas and concepts formed in history were a reflection of the level of the development of productive forces and the social life of that time. They did play a positive role. Now that society has developed and history has proceeded, if we still stick to the outdated concepts and old things, and even judge right and wrong by the standards of "traditions," we will go counter to the reality and become incompatible with reform. Only when we free ourselves from the fetters of traditional concepts, and foster new concepts which reflect the characteristics of our time can we develop our ideas and work along with the development of reform, and advance along with the progress of history. We should break away from the shackles of the concept of small-scale production and natural economy, and foster ideas and concepts compatible with modern large-scale production. Because the production and work methods of small-scale production have occupied a dominant role for a long time in the economic and social life of our country, the ideas and concepts of small-scale production characterized by narrow-mindedness, conservatism and satisfaction with the status quo have also fettered the people's minds. Their expressions are numerous. For example, there is a thinking that production aims not at exchange but at self-sufficiency. In order "not to ask for help in doing anything," some people blindly establish "small but all-embracing" and "large and all-embracing" enterprises, and even restrict their activities to a designated area, shift their troubles onto others, and close doors to each other, not knowing the importance of specialized cooperation. Some only regard materials as resources and lack the understanding that information is also a resource. Some are satisfied only with working hard, following the prescribed order, and "working at sunrise and retiring at sunset," and do not know the extreme importance of frugality and racing against time. Still worse, there are people who seek high speed and high targets one-sidedly at the expense of cost and efficiency, and thus create unnecessary losses and waste, etc. With such outdated concepts not eliminated, reform will not be carried out smoothly, production will not be developed greatly. Only when we foster the concepts of information, cooperation, time and efficiency which are compatible with the modern large-scale production can we promote and carry out reform successfully and accelerate the four modernizations.

We should break away from the traditional methods adopted when there was a shortage of materials, and foster the ideas and concepts compatible with the great development of commodity production. Many of our comrades have gone through the war years, the early post-liberation period and the 3-year period of difficulty. They have been situated in a long period of material shortage, and have basically led a life of frugality with everything distributed under the supply system and the ration system, and therefore, consider the state's monopolized purchase and marketing, supply by coupons, distribution according to the number of persons, and other methods normal and even perfectly justified. Therefore, they are more familiar with and good at doing economic work with short supplies and, when material and product supplies are more abundant, are at a loss for what to do. A conspicuous expression of such a situation is, for example, the present difficulty in selling grain in rural areas. Now the central authorities have decided to abolish the state's monopolized and fixed-quota purchases of major farm products, and gradually relax the control over them. In order to suit the needs of such a new situation, we should break away from the old concept that to stabilize prices means to freeze prices, and foster the new concept that prices should be readjusted rationally according to value and to the relationship between supply and demand. We should eliminate the old concept of leading economic work with administrative orders, and foster the new concept of regulating the economy with economic levers, change the old concept of state unified distribution and assignment of targets to every lower level, and foster the new concept that enterprises should serve the needs of markets and that there should be direct contacts between producers, suppliers, and sellers, and so forth. All in all, we should get rid of the old concept of developing production in order to guarantee supply, and foster the concepts of market, competition and consumption which conform to the great development of commodity production.

We should break away from the custom and prejudice of being ignorant, ill-informed and unenlightened, and foster ideas and concepts compatible with the new technological revolution of the world. In the present world, a new technological revolution is being hatched characterized by a respect for knowledge and talented persons, and attention to information. If we say that the development of productive forces depends, to a very great extent, on manual instead of mental labor in the formation of the natural economy, then when science and technology are developed to today's level and modern labor methods gradually replace the traditional labor methods, the development of productive forces will mainly depend on mental instead of manual labor. However, the state of being ignorant, ill-informed and unenlightened, resulting from long-term closed-doorism, has established a concept in the people's minds. They think that social material wealth is created, or largely created, by manual labor, and would despise knowledge and intellectuals. This has become a traditional prejudice and fostering a new concept of respecting knowledge and talented people and of winning successes with wisdom have a very important strategic significance in both carrying out the reform of the economic structure successfully and in facing up to the challenge of the new technological revolution of the world.

#### The Leadership Methods Should Be Changed From Those of Relying on Experiences to Those of Relying on Science

During the modernization drive and economic reform, every important policy decision involves many areas, and the situation is very complicated. In order to deal with it successfully, the managerial and leadership methods of small-scale production will not do, nor will the narrow experiences and individual wisdom. This requires us to achieve a leap in the quality of our leadership methods, namely, to rely mainly on science instead of experiences in exercising leadership.



We should combine qualitative analysis with quantitative analysis in order to make our policy decisions more correct. Everything in the world has its quality and quantity dimensions. Unity of quality and quantity is a "degree," which, if exceeded, will give rise to a change in the nature of the thing. Only when we combine qualitative with quantitative analysis, make quality and quantity accurate, and grasp a definite "degree" in the unity of opposites can we ensure the coordination and balance among all areas. It was right for us to pay attention to the role of typical examples when we carried out our work in the past. However, due to inadequate attention to quantitative analysis, we often explained the overall situation one-sidedly with the experiences of selected units, and many of our policy decisions were made without true, accurate and complete data and precise calculation. Such decisions made through experiences and estimation are bound to have faults. We should combine tactical study in order to make policy decisions more comprehensively effective. Strategy means important plans and guidance which has a bearing on or decides the overall situation. Tactics mean the specific measures and method aiming at fulfilling the strategy. Strategy decides tactics, and tactics serve strategy. In our practical work, we often pay more attention to tactical study and neglect strategic study, and therefore think more of things which can yield quick success and instant benefit and less of things requiring careful plans, or think more of things which bear on partial interests and less of things which bear on overall interests. Comrade Chen Yan said that we still need some people to walk with measured steps. Comrade Taobang pointed out: "We have too many tacticians and too few strategists." This requires us to consider problems and work with strategic views, and pay attention to strategic study. In the current reform all departments and units should proceed from the needs of the overall situation, and should not consider the interests of themselves alone and go their own way. Only when we hold discussions on major affairs and master the overall situation can we successfully do our own work. In making policy decisions, only when we properly handle the relationship between economic results and social effects, between microeconomic and macroeconomic results, between immediate and long-term interests, and between direct and indirect interests can we achieve the best comprehensive efficiency.

We should give play to the role of both the "inner brain" and the "outer brain" in order to make policy decisions more scientific. In the past when we did our work, we were always used to using our brains to work out methods, stressing the role of the "inner brain," and were not good at playing the role of the "outer brain," namely, the "think tank" and the "brain trust". Such people are, of course, better than those who do not use even their own brains, and who are used to bustling around and using their hands and feet instead of brains. However, we should note that modern large-scale production becomes increasingly systematic, complicated, variable and competitive, but man's energy and wisdom are limited. In order to suit the new situation of "knowledge explosion," we should strengthen the policy-making groups and, meanwhile, extend the role of brains by fully performing the functions of various research and advisory consulting departments, and see to it that no major policy decisions are made without technical and economic appraisals, without comparison of two or more plans, and without the study of the brain trust. Only when we resolutely change the empirical leadership method we were used to in the past can we achieve scientific policy-making procedures, and then achieve the best results of policy decisions.

Now, the central authorities have given explicit orientation, policies and principles for reform, and we should create, in the course of practice, the specific methods, steps and measures. As long as we emancipate our minds, explore bravely, and are good at discovering during the course of reform, we will certainly gain the initiative in leading the reform, and bring about a change from the realm of necessity to the realm of freedom.

GANSU GOVERNMENT STRESSES CURBING PRICE HIKES

HK130233 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 12 Mar 85

[Text] A plenary meeting of the provincial government which concluded on 6 March stressed that it is necessary to strengthen price controls, supervision, and inspection, and resolutely correct the unhealthy practice of indiscriminately hiking prices and imposing fees. The meeting also decided to make an open report on the indiscriminate price hikes in some units.

The report pointed out: The economic situation in the province is very good. Generally speaking, prices are relatively stable. However, there are also phenomena of indiscriminately hiking prices and imposing charges. Some units arbitrarily expand the scope of negotiated prices and impose their own price hikes. Some make disguised price hikes by widening the quality differentials. Some pass off poor quality as good. Some arbitrarily raise the prices of best-selling items. Some buy up state materials in short supply and resell them at a profit. Some sell at high prices outside the plan materials that are covered by the plan. Others arbitrarily hike the scale of various fees, and so on.

The report said: To ensure the smooth progress of reforms and protect the masses' interests, the provincial government demands that all prefectures and cities and administrative departments concerned strengthen price controls, supervision, and inspection. All illegal income from indiscriminate price hikes must be returned to the consumers. Where this is not possible, the entire sum must be paid to the state treasury. It is necessary to hold the leaders and perpetrators accountable in cases of serious violations of law and discipline. Such cases must be punished by fines or by party or government discipline, according to how serious they are. Violations of criminal law must be punished by law. We must also severely punish those who protect, conceal, or connive at illegal activities.

GANSU TO LEVY TAX ON ILLEGAL BONUS PAYMENTS

HK130237 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 12 Mar 85

[Text] According to GANSU RIBAO, the provincial CPC Committee and government have taken effective steps to straighten out the problem of certain enterprises and units violating state regulations and randomly paying excessive bonuses at the end of last year. According to early March statistics of provincial departments and bureaus and of Lanzhou City, 550,000 yuan in bonus tax has now been recovered, and action is being taken to recover a further 780,000 yuan. Portions of bonuses which were taken out of welfare and reserve funds have been basically recovered.

The provincial government held a plenary meeting in early March, which further summed up experiences, absorbed the lessons, and issued a six-point regulation on completely straightening out the problem of random bonus payments. The meeting demanded that all areas and enterprises strictly observe discipline and enforce orders and prohibitions. The meeting demanded that the work of clearing up the bonus problem be completed by the end of March. It is necessary to hold the leadership accountable in cases of acting passively, procrastinating, or refusing to correct the problem, and deal seriously with the matter.

DENG YINGCHAO SAYS CPC'S TAIWAN POLICY UNCHANGED

OW130838 Beijing XINHUA in English 0822 GMT 13 Mar 85

[Text] Beijing, March 13 (XINHUA) -- The Chinese Communist Party will not change its policy of peacefully reunifying Taiwan by negotiation, party Central Committee Political Bureau member Deng Yingchao has said here. Her March 6 speech on behalf of the party Central Committee and State Council to the second national conference of Taiwan compatriots on the mainland was made public here today.

The Communist Party, she said, solicited a wide range of opinions and suggestions before putting forward the Taiwan policy, which gives due consideration to the interests of the people in Taiwan. Her party pins its hopes on Taiwan compatriots for China's peaceful reunification, she said, adding that "we will abide by the established policy to facilitate contacts between the Communist Party and Kuomintang and solve the Taiwan problem properly."

She said the Communist Party would accept suggestions that would benefit China's reunification from anyone, regardless of political belief or party affiliation. Business people, scholars and specialists in Taiwan are welcome to contribute to China's modernization drive, Deng said.

The Communist Party will simplify procedures to make it easier for Taiwan compatriots to visit relatives on the mainland, and ensure their freedom of entry and departure. She hoped that the Kuomintang would also relax its restrictions.

## Federation Elections Reported

OW122036 Beijing XINHUA in English 1601 GMT 12 Mar 85

[Text] Beijing, March 12 (XINHUA) -- Lin Liyun, a member of the Communist Party Central Committee, was today re-elected chairwoman of the All-China Federation of Taiwan Compatriots. Lin, 51, a Taiwanese who graduated from Beijing University, is a member of the Standing Committee of the National People's Congress and vice-president of the All-China Women's Federation.

Speaking at the first session of the second council of the federation, Lin said the federation would strive hard for unity among Taiwan compatriots, and the unification and modernization of the motherland.

Nine vice-chairmen were also elected at the conference. Five were re-elected.

The four newly-elected are Li Hemin, 63, emeritus director of the pharmaceutical and biological appraising institute under the Ministry of Public Health; Guo Shaolie, 60, deputy director in the Shanghai Institute of International Issues; Guo Pingtan, 52, deputy to the National People's Congress, who graduated from Waseda University in Japan; and Zhang Qia, 50, vice-mayor of Handan City, Hebei Province.

The 75-member council was elected yesterday in the conference of representatives of the Taiwan compatriots in the mainland, which opened here last Wednesday.



GORBACHEV, PRC LEADERS VIEWS 'SOMEWHAT SIMILAR'

HK130400 Hong Kong WEN WEI PO in Chinese 13 Mar 85 p 2

["News Analysis" by Beijing correspondent Liu Min-yi: "The New Soviet Leader and Sino-Soviet Relations"]

[Text] After the death of former General Secretary of the CPSU Chernenko, his deputy Gorbachev was appointed his successor at a plenary session of the CPSU Central Committee held on 11 March.

Diplomats in Beijing believe that after Brezhnev's death several years ago, Gorbachev should have been his most likely successor. However, due to the fact that the CPSU Central Committee was not unanimous about it and that there was still some resistance, arrangements were made to appoint Andropov and Chernenko respectively, the old men of the Kremlin, as CPSU general secretary. Actually, this was only an "interim arrangement."

Whatever happens, what concerns people here most is how, after the appointment of the new general secretary, Sino-Soviet relations will develop.

After becoming Chernenko's deputy, Gorbachev rarely delivered public speeches, and said nothing almost about Sino-Soviet relations. At the CPSU Central Committee plenary session held yesterday (11 March), he stated for the first time that the Soviet Union wished to conscientiously improve its relations with China, and that it was possible to do so. After that, a Chinese Foreign Ministry spokesman said that the ministry had "noticed" his speech.

What is interesting is that after analyzing the public speeches made by Gorbachev during the past year, we find that his views on economic development, reforms, bureaucracy, and other topics are somewhat similar to those aired by the current Chinese leaders. We can sum up his basic views on the internal affairs and foreign policy of the Soviet Union from his long speech delivered at the work meeting on ideology of the Soviet Union, his speech to voters, and his speeches delivered in Bulgaria and Britain when he visited those countries.

First of all, he advocates reform in the economic structure and the entire system of social relations. He maintains that one of the key problems facing the Soviet Union today is reform of the methods of management and administration.

He says that the present main task of the Soviet Union is to vigorously speed up social and economic progress. He has also advocated a change of production relations. He believes that one reason contributing to the slowdown of economic growth in the Soviet Union from the late 1970's to the early 1980's was that the country failed to discover in time certain aspects in the production relations which should be reformed.

He advocates collectivization in various economic sectors, reform of existing enterprises, and renewal of technology. He stresses that society must shift its attention to efficiency, quality, collectivization, scientific and technical progress, and fully tapping production potentials.

He also emphasizes that economic levers should be effectively used, and that socialism should also learn to make use of economic means such as prices, costs, profits, credits, and so forth. However, he does not think that the planned economy must completely rely on these "levers."

From the above-mentioned economic viewpoints, it is easy for us to find that they coincide with views aired by Chinese leaders in recent years when discussing reform and economic development.



At a Soviet agricultural meeting held in March 1983, Gorbachev stated that the collective contract system should be popularized in the rural areas. In his speech delivered to voters in February 1984, he spread the idea of popularizing forms of operational teams, including comprehensive operational teams, operational teams taking full responsibility for output quotas, operational teams which pursue economic accounting, and others in order to tap the potential of rural labor in the Soviet Union. The contract system pursued in China is based on households, whereas the contract system advocated by Gorbachev is based on collective units.

As far as international problems are concerned, when visiting Bulgaria and Great Britain, Gorbachev repeatedly stressed: "Today, peaceful coexistence is the only wise way out." He proposes that political dialogue between the East and West be restored, the arms race be stopped, and detente be achieved. Of course, his remarks on international affairs have been regarded by some people as hackneyed and stereotyped expressions which the Soviet Union always makes in order to conceal its expansionist intentions in the garb of detente.

With regard to the development of Marxist-Leninist theories, at a mass rally celebrating the 40th anniversary of the Bulgarian revolution, Gorbachev said that international experiences have enhanced people's understanding of the socialist world and the common law of socialism. He maintained that the development of socialism should accord with the conditions and traditional viewpoints of the countries concerned, and that revolutionary theories should not be regarded as immutable, but should therefore be enriched with new experiences.

We have stated in detail some basic viewpoints of Gorbachev. As a Western saying goes: Judge them by what they do not what they say. There is no harm in listening to what Gorbachev has to say and seeing how he acts. What effect will some of his views, which are similar to the present policy being implemented in China, have on Sino-Soviet relations? We believe that this is a delicate problem which merits attention.

#### DENG SEEN STRIVING TO MODERATE CAPITALIST ZEAL

HK120351 Hong Kong SOUTH CHINA MORNING POST in English 12 Mar 85 p 7

[By David Chen]

[Text] A strong warning by China's top leader, Mr Deng Xiaoping, to a national science work conference in Peking last week, is almost like his utterances of the "four upholds" of a few years ago when the country was tottering towards a ready experimentation with capitalism. The warning is timely, many analysts said, as it should put a stop to the almost runaway zeal with capitalist thinking, an inevitable "by-product" of the open-door policy.

The leadership will never acknowledge this but the trend, according to some detractors, is certainly towards the goal. Latest evidence is the widespread corruption prevailing throughout many of the economy's government offices and commercial enterprises, and a confusion of varying economic practices when adopted to different organisations.

Apprehension of the confusion and malpractices has been voiced for many months since the new economic reform policy was promulgated at the third plenary session of the 12th party Central Committee last October.

The more conservative elements naturally were critical of the reforms and pointed to several malpractices -- which invariably must emerge in the initial implementation of the policy -- as the beginning of an avalanche.

The champions of the reform policy argue otherwise, claiming that initial confusion was bound to come out after a while. "When the dust settles down," the benefits accruing out of the reforms will certainly outweigh the malpractices. Besides, they argue, measures could be taken to check such malpractice and indeed this is now being done. For several days now, the PEOPLE'S DAILY and several other national and provincial publications have been stressing the evils of corruption and abuse of power given the administrators and reports of offenders being severely punished. However, the fact that Mr Deng has to come out to make a severe warning against would-be capitalists, stressing that communism remains the ultimate goal despite the country's economic relaxation and opening to the outside world, point to the severity of the problem. It would not be an exaggeration to say that it has gone a little out of control.

In his speech, Mr Deng acknowledged fears that China might turn capitalist are "not without foundation" (very strong words indeed) and ordered the press to emphasize what he called the ideals of communism to youth. "We certainly cannot allow our young people to be corrupted by capitalist thinking; that is impermissible," Mr Deng said, speaking as chairman of the party Central Advisory Commission. To further emphasize the significance of Mr Deng's speech, it was printed in bold type of the front page of the PEOPLE'S DAILY and other major newspapers. Mr Deng is himself a champion of reforms and indeed many of his policies have opened the way for China to move forward both economically and politically. However, the policies, spelt out in a series of party central directives, are either not fully comprehended or are made use of by middle-echelon officials to literally "enrich themselves."

The most recent reforms announced in October emphasized the need for competition, market forces and relaxed central control but have given rise to a wave of unauthorized price increases, profiteering, speculation by local communist officials and other "unhealthy tendencies" decried by the Peking authorities. Reiterating the socialist aspect of China's system, Mr Deng stressed that the goal of the country's opening to the outside, its policies to reform and enliven the economy "is to develop the socialist economy." "We let the private economy develop, we permit foreigners to engage in joint ventures, invest and manage, but socialist public ownership will ultimately predominate," he said. "The Communist Party is undertaking the cause of socialism, and the ultimate goal is to implement communism. We hope our propaganda organs never lose sight of this point."

Analysts noted that the sharp warning contrasts somewhat with an earlier pronouncement by Mr Deng, who was quoted in one of his selected works as saying that "some capitalism" is beneficial for modernization. Last December, the PEOPLE'S DAILY ran an article claiming that Marxism alone could not answer China's needs. That pronouncement was amended next day to read "all of China's needs." This indicated that a new ideological campaign similar to the 1983 drive aimed at curbing "spiritual pollution" is probably under way. And the authorities acknowledged that some measures must be taken to curb the current malaise arising out of the reform policies.

What is noteworthy was that the message Mr Deng delivered was made after his recent southern sojourn. It was in south China where the malaise was the most manifest, with rampant corruption and blackmarketeering, not only in commodities but in currencies. A suggestion for a new currency for the Shenzhen Special Economic Zone has become one of the most controversial subjects with ultimately a spokesman for the People's Bank of China declaring that it was still under study and no decision had been made. This was an outright rebuttal of a reported statement by the Shenzhen mayor, Mr Liang Xiang (who is also a vice-governor of Guangdong), that it would be circulated later this year.

While the controversy over the Shenzhen "new money" is raging, another phenomenon has appeared in the province. The Guangdong branch of the People's Bank has been issuing "bank drafts" in denominations of RMB 50 and 100 yuan. Normally, there is nothing wrong with any bank issuing a bank draft. However, the drafts issued by the Guangdong branch are printed in such a way that they are the "look alike" of RMB, with two small characters "Ben Piao" (bank draft in English) printed on the side of the main "Fifty Dollars." In all appearances, if one were to disregard the words "Ben Piao," it would look like a RMB 50 yuan bill and indeed it has been circulated as such. The bank drafts were circulated in the province and also extended its influence into the three SEZs of Shenzhen, Zhuhai and Shantou. This has attracted the attention of several Hong Kong newspapers, which wrote extensively about it.

Now word has come that the bank drafts are to cease functioning by Friday and they will also be recalled in due course. Hence, an experiment that began on February 4 is to expire in 39 days. The bank draft is only an example of what analysts would call a "misinterpretation of the spirit of new economic reforms," that were adopted at the third plenary session of the 12th party Central Committee.

Another incident which may or may not have prompted Mr Deng in issuing the warning is a beauty pageant in Canton early this month. Such contests are commonplace in a capitalist world even though feminists often stage protests against these shows. However, it has never been an event in a socialist country. One elderly analyst said he could not recall any such contest during even the nationalist days, before they were driven out of the mainland in 1949.

The pageant became a roaring controversy and at one time was about to be cancelled. Only after dogged determination by its advocates was it allowed to be staged. But it has already given the opponents a strong weapon with which to fight the "reformists."

The condemnation of the practice of running "lotteries" published in the PEOPLE'S DAILY gave the advocates of a more orthodox approach towards socialism yet another weapon. These events, together with increasing revelations of the many malpractices, corruption cases and abuse and misuse of powers vested in the middle-echelon officials through the decentralization process culminated in the strong statement by Mr Deng.

How Mr Deng's statement will be received by the general public remains to be seen but already, one of the staunch conservatives, the party propaganda chief, Mr Deng Liqun, whose star waned late last year, has made what appears to be a triumphant return. He lost no time in calling a meeting to study Mr Deng Xiaoping's warning.

With Mr Deng Liqun's star rising, analysts are now wondering about the fortunes of those who fought him only last September at a cultural meeting. They include one of the most promising young party cadres, Mr Hu Qili, who was once tipped to become ultimately the party general secretary. Analysts are also beginning to wonder whether China has once again moved on to the other side of a vacillating course of policies.

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